

## 4 U.S. Professors Kidnapped In Beirut; Death Threatened

### LATE NEWS

#### Police Question Winnie Mandela

SOWETO, South Africa (Reuters) — Winnie Mandela, the wife of the jailed South African black nationalist leader Nelson Mandela, was held by police for questioning Sunday but was released later, her lawyer said. A police spokesman said that Mrs. Mandela had not been arrested or detained.

Her lawyer, Ismail Ayob, said that police had searched Mrs. Mandela's home near Johannesburg for more than two hours before taking her to Soweto's main police station, then returned to get her daughter, Zindzi, and a filing cabinet containing personal papers.

### INSIDE TODAY

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Mandela's cardinal called on the Aquino government to act on land reform. Page 2.  
China's Communist expelled a leading journalist known for his exposés of corruption in the party ranks. Page 2.  
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France seems to be trying to dampen speculation in Paris bank group, which is being sold to the public. Page 7.  
**INSIGHTS**  
U.S. arms sales to Iran involved cooperation between Saudi Arabia and Israel, an intermediary said. Page 5.



Susan Edberg, returning a shot, retained his Australian Open title Sunday. Hans Mandlikova had upset Martina Navratilova to win the women's title. Page 13.

## 10 French Aid Workers Kidnapped in Somalia

Compiled by Our Staff From Despatches  
PARIS — Ten French workers from the relief organization Doctors Without Borders have been kidnapped in northwestern Somalia, according to a spokesman for the group. He said the workers were taken toward the Ethiopian border.

About 60 gunmen, whose affiliation was not known, broke into the organization's compound in the Tug Wajale refugee camp Saturday and seized the entire medical team of two doctors, two technicians and six nurses, as well as one refugee.

Witnesses said the gunmen told the aid workers that they only wanted publicity about the situation in the region, the spokesman said. The spokesman said no one had claimed responsibility for the kidnapping.

The Ministry of External Relations said Sunday that France had asked Djibouti, Somalia, Ethiopia and Kenya to help locate the team.

The French secretary of state to the prime minister in charge of human rights, Claude Malhuret, a former director of the relief organization, said in a television interview Sunday that he was "not pessimistic" about the fate of the hostages.

He said he believed that the kidnappers were from one of the liberation movements in the region, which, I think, wants itself talked about, and that's the reason I am relatively optimistic."

## Chile Burns Book By Nobel Laureate

The Associated Press  
SANTIAGO — Authorities in the Chilean port city of Valparaiso burned 14,846 copies of a book by the exiled Colombian author Gabriel Garcia Marquez, the winner of the Nobel Prize for literature, according to a local representative for his publishing house.

Arturo Navarro said the copies of "The Adventure of Miguel Littin While Underground in Chile," were burned on orders of the enforcers of state-of-siege regulations in Valparaiso.

Mr. Navarro said in a telephone interview that he had been told recently that the books were burned Nov. 28. He said the books had been seized by customs agents upon arrival in Chile. The state of siege in the city has since been lifted.

## University Classes Are Suspended to Protest Abduction

By Nora Boustany

BEIRUT — With four professors — three of them Americans and the fourth an Indian-born U.S. resident — having been kidnapped Saturday, Beirut University College suspended classes indefinitely Sunday to protest the abductions.

Students and teachers called on all educational institutions here to shut their doors in solidarity.

The four were identified as Alann Stein, 46, professor of journalism; Jesse Turner, assistant professor of computer science and mathematics; Robert Polhill, 56, professor of business studies and accounting; and Mithileshwar Singh, chairman of the business school.

It was the largest single kidnapping of Americans in this city, and brought to 25 the number of foreigners held hostage. At least eight are Americans.

The wives of the four teachers, who witnessed the kidnapping by gunmen, asked the abductors Sunday to release their husbands and to supply two of them with badly needed medication. Mr. Polhill is a diabetic and Mr. Singh reportedly has low blood pressure.

A group calling itself the Organization of the Oppressed on Earth warned in a telephone call to the Christian Voice of Lebanon radio station that it would execute one of the hostages unless Mohammed Ali Hamadei, 22, a Shiite Lebanese arrested Jan. 13 in Frankfurt, was released.

This group has previously claimed, in written statements accompanied by photographs, the abduction and execution of Jewish Lebanese citizens. There was nothing to validate the authenticity of the calls Sunday.

Two West Germans have been abducted, Rudolf Cordes on Jan. 17 and Alfred Schmidt on Jan. 21, apparently in retaliation for the arrest of Mr. Hamadei. His extradition is being sought by the United States on air piracy and murder charges in connection with the 17-day hijacking of the TWA airliner in 1985. A U.S. Navy diver was killed in the hijacking.

The kidnappings Saturday took place after the gunmen gained access to the Beirut University College campus by dressing as members of Lebanon's Internal Security Force and asking to confer with foreign professors in order "to advise them and coordinate" security matters, college sources said.

They entered the main gate for the first time at noon, riding in a police van, and returned in the late afternoon. They advised foreigners on campus against leaving the grounds for security reasons, college sources said.

"They showed up another time to meet and talk things over," said Mohammed Yakan, the university's director of development. Minutes later, the four teachers were taken to the lower campus gate, forced into the van at gunpoint and driven away, security guards and witnesses said.

Beirut University College is the second-largest university in Moslem-dominated west Beirut. Its campus is three blocks south of the American University of Beirut, from which other Americans have been kidnapped.

Founded by the Presbyterian mission in 1924 as a girls' college, the college became coeducational.

See KIDNAP, Page 6



Helmut Kohl, with his wife, Hannelore, discusses the vote at his party's Bonn headquarters.

## Wall Street Swing Worries SEC

New York Times Service

NEW YORK — Wall Street's wild ride on Friday, in which the Dow Jones industrial average zig-zagged 200 points in two and a half hours, has stunned investors and prompted the U.S. government to examine more closely market volatility and the role of computers.

John S.R. Shad, chairman of the Securities and Exchange Commission, said Friday that the agency was concerned about increasing volatility on U.S. securities markets and was examining ways to dampen it.

"The commission is definitely looking at this situation," Mr. Shad said in Washington.

The Dow average of 30 industrial stocks soared 64 points by early Friday afternoon — its largest one-day point gain — then dove about 115 points in just over an hour. Mr. Shad said the fall represented a five-percent swing, considerably larger than the market has seen in recent years.

Before the afternoon was over, the blue-chip average gained another 50 points, then plunged again to end down 44.15 points, at 2,101.52. Trading volume on the New York Stock Exchange came to 302 million shares, a record.

Analysts attributed the volatility not to worries about the U.S. economy — the traditional explanation for Wall Street's moodiness — but to the practice of arbitrage, or rapid buying and selling on a number of markets to take advantage of differences in prices between those markets.

This type of trading is made possible by new computer technologies that enable big investors to play one market against another and rapidly move huge amounts of funds.

A main reason for the swings involved large investors who were trying to play the futures markets, where stocks are bought or sold for delivery at some specified future date, against what the stocks were

actually selling for on Friday. Such calculations are extremely complex, but can be made in fractions of a second by computers.

Because these practices carry little risk and can be enormously profitable, investors are willing to put up huge sums. The amount of money they invest, in turn, can pull the market up quickly or push it down just as fast.

In addition, analysts cited the dominance of program trading in financial markets. Most institutional traders — the big players on the stock market — use computer programs that issue automatic "buy" and "sell" orders when the Dow or other primary stock averages have risen or fallen a certain number of points. These programs accentuate trends already in evidence, creating periods of near panic buying and selling.

"The volatility was clearly the result of program trading and you could almost say it was out of control," said VOLATILE, Page 11

## 20,000 March to Protest Georgia Racist Incident

### Heavy Security Blocks 1,000 Whites

By David Treadwell  
and Barry Bearak

Los Angeles Times Service  
CUMMING, Georgia — More than 20,000 demonstrators from across the United States have staged a march in all-white Forsyth County, the largest such demonstration since the height of civil rights activism in the 1960s.

The "March for Brotherhood" Saturday was organized to protest an attack by whites on a much smaller march in the same county the week before, in which eight persons were injured.

At a rally in the courthouse square after the march, the Reverend Joseph Lowery, president of the Southern Christian Leadership Conference, told residents of the county: "We did not come to scare you to death, but to challenge you to a new way of life — a life of decency, a life of justice, and a life of integrity. Cumming and Forsyth are not places, they are attitudes."

Marchers were protected by 1,700 police and Georgia National Guard troops along the parade route of more than a mile as about a thousand counter-demonstrators

held aloft Confederate flags and chanted "Nigger, go home!"

At least 60 persons, including white supremacist leaders, were arrested before and during the march, several of them on weapons charges, according to authorities in Forsyth County.

Some marchers were hurt by rocks and bottles thrown by whites at the crowd, but there were no serious injuries. U.S. state and local officials had ordered elaborate security measures for the march.

"This is the greatest show of force on the part of the state of Georgia in history," said Barbara Morgan, a spokeswoman for Governor Joe Frank Harris.

Civil rights veterans, pleased by a turnout of demonstrators that was far beyond their expectations, said they viewed the march as the resurrection of the civil rights movement, which increasingly has slid into disarray since the 1960s.

"The civil rights family has not been together like this since we buried Martin Luther King" in 1968, said Hosea Williams, an Atlanta city councilman who was an aide to the assassinated civil rights leader. Ozell Sutton, regional director of



A Georgia National Guardsman protecting the marchers. At left is Coretta Scott King, widow of Martin Luther King.

The U.S. Justice Department's office of community relations in Atlanta, said, "This outpouring of black and white and all racial groups is an indication of a deep and abiding concern" for civil rights.

## Kohl Coalition Re-elected, but Margin Narrows

By James M. Markham

NEW YORK TIMES SERVICE  
BONN — Chancellor Helmut Kohl's center-right coalition won a parliamentary majority Sunday that will permit it to govern West Germany for another four years. But Mr. Kohl's party had its worst showing since 1949.

The coalition of Mr. Kohl's Christian Democrats and the small Free Democratic Party won a total of 52.8 percent of the popular vote, according to computer projections. That will translate into 266 seats in the 496-member Bundestag, the lower house of parliament.

Yet, the chancellor's Christian Democrats did considerably less well than opinion polls had forecast, winning only 44 percent of the popular vote compared to 48.8 percent in the 1983 national election.

The dismal performance, the party's worst since the founding of the Federal Republic in 1949, appeared likely to weaken Mr. Kohl's personal authority within a traditionally fractious coalition.

The big winners of the election were West Germany's two small parties — the centrist Free Democrats, junior partners in the coalition, and the Greens, who oppose membership in the North Atlantic Treaty Organization.

The Free Democrats raised their share of the vote from 7 percent in 1983 to 8.8 percent, while the Greens jumped to 8.2 percent from 5.6 percent, the projections by television stations showed.

The left-of-center Social Democrats did marginally better than most opinion polls had forecast and almost equaled their 1983 showing, drawing 37.6 percent compared to 38.2 percent four years ago, according to the projections. That result had been the party's worst since 1961.

Although the performance was well short of the Social Democrats'

proclaimed goal of winning an absolute majority in the Bundestag, Johannes Rau, the party's standard-bearer, did extremely well in his home state of North Rhine-Westphalia. In the important industrial state, with almost a third of West Germany's electorate of 45 million, the Social Democrats re-established themselves as the biggest party.

Led by Foreign Minister Hans-Dietrich Genscher, the Free Democrats made deep inroads into the Christian Democratic camp by appealing to voters to split their ballots and give their so-called "second votes" to the junior coalition partners. A two-tiered voting system gives one vote to a candidate and a second to a party list.

Mr. Genscher, who has been foreign minister since 1974, appeared to have profited from strident attacks on his cautious policies by Franz Josef Strauss, the rightist premier of Bavaria and leader of the Christian Social Union, the sister party of the national Christian Democrats.

Mr. Strauss, 71, was known to have aspirations to displace Mr. Genscher as foreign minister, but the strong showing by the Free Democrats appeared to guarantee that Mr. Genscher will remain in his post.

From comments by its leaders Sunday night, the Free Democratic Party, which draws its support from small businessmen and professionals, expects to increase its overall weight within the coalition.

Mr. Strauss declared himself "not satisfied" with the result, which appeared to diminish the likelihood that he would move to Bonn from his Bavarian power base to shape national policies.

Mr. Kohl, appearing before journalists at his party headquarters, attributed the Christian Democrats' See BONN, Page 6

## Regan Denied To Shultz Any Iran Deal

By Walter Pincus  
and David Hoffman

WASHINGTON — The White House chief of staff, Donald T. Regan, told Secretary of State George P. Shultz in May that reports about the secret sale of U.S. arms to Iran "couldn't be true or shouldn't be true," although Mr. Regan at the time had participated in several meetings on the initial

North said Reagan's main concern in the arms sales was freeing U.S. hostages. Page 3.

five, according to congressional sources and White House documents.

At the economic summit meeting of Western nations being held that month in Tokyo, Mr. Shultz had confronted Mr. Regan after receiving a cable query from the U.S. ambassador in London, Charles H. Price 2d.

Mr. Shultz testified last week in a closed session of the House Foreign Affairs Committee that the Price cable reported that Arab and European financiers were discussing the shipment of American arms to Iran with the approval of the U.S. government, the sources said.

Mr. Shultz testified that Mr. Regan expressed concern about Iran arms sales and told the secretary he would discuss the matter with President Ronald Reagan.

The exchange occurred five months after Mr. Reagan had secretly authorized the direct sale of U.S. arms to Iran during a Jan. 17, 1985, meeting at the White House attended by Mr. Regan.

The first shipment of U.S. missiles was sent to Tehran in February, and Mr. Shultz has asserted that he was never officially informed of the arms sales until it became public in November.

The episode in Tokyo sheds new light on the role of Mr. Regan in the making of the Iran arms sales policy. It suggests that the White House chief of staff sought to conceal from Mr. Shultz the full extent of the Iran policy.

Asked about Mr. Shultz's testimony Friday, Mr. Regan said through a spokesman that he had no recollection of the conversations but did not dispute Mr. Shultz's account.

Mr. Shultz's questioning of Mr. Regan in Tokyo about arms sales came just as the president was urging the leaders of seven industrial democracies to issue a strong statement opposing state-sponsored terrorism. Iran was listed by the United States as a sponsor of terrorism.

Mr. Regan, in a news conference May 7 at the end of the sum-

See REGAN, Page 6

## War Goes On, but Tehran's Mood Is Upbeat

### Traffic Abounds, Shops Brim With Goods, People Appear Calm and Relaxed

By Loren Jenkins

Washington Post Service  
TEHRAN — For a city that in the last decade has been torn on end by revolution, then sepped by more than six years of war, the Iranian capital appears surprisingly untroubled.

Despite daily newspaper headlines that scream of the latest battles in the war with Iraq, the mood in Tehran seems, strangely, upbeat.

Although there is much criticism in private among certain groups — primarily the middle class, which has suffered most from the Islamic revolution — the general public morale seems good despite the war and the economic hardships it has brought.

For a visitor who last saw the city amid the revolution that toppled the shah eight years ago, life in Tehran appears surprisingly familiar despite the political, cultural, religious and economic changes that have transformed Iran.

The streets, as in the past, are jammed with traffic, which is perhaps better controlled now. Shops brim with fresh fish, chickens, vegetables and fruit, even if the prices are high. Traditional street-side kafeh parlors are doing what seems like normal business. Other shops still carry an array of imported goods, from Japanese radios to Chinese space heaters, that would draw envy from many Middle Eastern countries not burdened by war.

In their streets and shops, the residents of Tehran appear calm and relaxed. They seem more courteous than in the past, even when discovering that the inquirer is a rare visitor from the country that Iranian revolutionary leaders continue to call the Great Satan.

Although the high brick walls around the former U.S. Embassy are painted with slogans such as "We will make America face a severe defeat," a variety of Iranians appear to harbor no rancor against Americans. These include hotel employees, taxi drivers, shopkeepers, journalists, government officials, and even policemen.

What official anger remains over U.S. support for the regime of Shah Mohammad Reza Pahlavi is directed at the U.S. government rather than individual U.S. citizens. In almost every case, Tehran residents welcomed an American visitor and even said how glad they were that he had returned.

The other startling impression is of how little direct evidence there is of the war.

One sees no military convoys, no tanks parked in front of buildings. There are no signs of anti-aircraft emplacements, though the city was randomly bombed by Iraq in 1985 and a jet dropped two bombs last week near the home of Ayatollah Ruhollah Khomeini.

To one who has read of the mass mobilizations of men, even of youths of 14, for the killing grounds of the front, there is surprise at seeing how many men, many of undoubted health and of military age, are still on the streets, walking to work, shopping with their veiled wives, or simply gathering in bazaars and cafes.

Western diplomats living in Tehran confirm these first, if tentative, impressions.

"The support for the war is quite high," a European diplomat said. "The hate of the Iraqis is real and, after this month's offensive

toward Basra, there is a feeling that victory is possible and in sight. For the government, whatever the final results on the ground are, this offensive has been a shot in the arm."

Another diplomat said: "There are people queuing up to go to the front because they sense the end may be near and they want to be in on the finish."

Iraqi air raids on Iranian cities this month have raised morale, not lowered it, observers in Tehran believe.

Diplomats said people in Tabriz and Qom, where 85 people were reported to have been killed in an air raid Friday, have raised "revenge battalions" to send to the front in answer to the bombings.

There are signs, too, that the harsh and puritanical rule that characterized the years immediately after the Islamic revolution has relaxed.

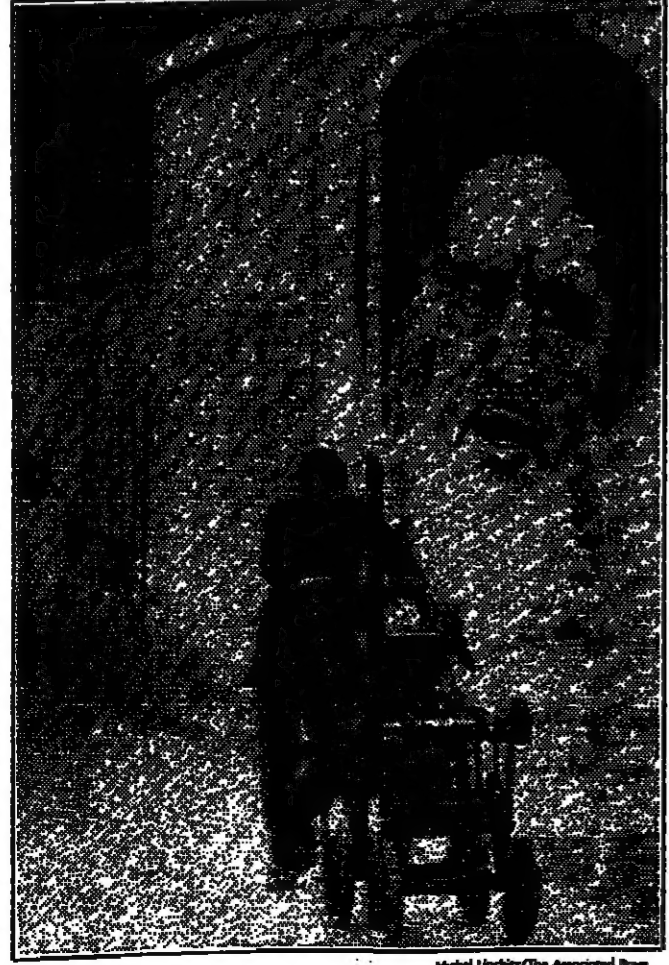
Although paintings of Ayatollah Khomeini appear on the sides of numerous buildings and in some shops, his stern, bearded face is not as ubiquitous as it was when he returned to the country from exile in 1979. His presence seems to fall short of the personality cult that surrounds President Saddam Hussein of Iraq.

On the streets, women are still required to wear the traditional flowing chador or simple headscarves. Yet fashion has crept into these once drab costumes, allowing for colors, rich fabrics and embroideries.

In many a Tehran home, away from the prying eyes of Revolutionary Guards, life goes on much as it did before the fall of the shah.

Private dinner parties are held where there is

See MOOD, Page 6



The wall of the former U.S. Embassy in Tehran.



## China Party Expels Leading Journalist Known for Exposés

By Edward A. Gargan  
New York Times Service

BEIJING — The Chinese Communist Party has expelled a prominent journalist known for his scathing attacks on corruption in party ranks.

As the campaign against intellectual dissidence accelerated, it was disclosed Saturday that Lin Binyan, a muckraking reporter for People's Daily whose writing is often feared by the party's leadership, became the third prominent intellectual to be purged from the party in the political upheaval that has unseated Hu Yaobang, formerly the leader of the party.

Mr. Lin and two other leading intellectuals, Fang Lizhi and Wang Ruoshang, were denounced by Deng Xiaoping, China's leader, on Jan. 13 during a meeting with a visiting Japanese official, Mr. Wang, a university vice president, and Mr. Wang, a Shanghai writer, have since been expelled from the party.

Mr. Lin was accused of violating party principles and discipline. Chinese sources said he was being investigated on other charges, although they were uncertain whether he would be accused of criminal conduct or counterrevolutionary behavior. Both actions are punishable by imprisonment.

Chinese sources said that over the past two weeks the government-controlled press would conduct attacks on 10 prominent intellectuals known for criticizing rigid party orthodoxy.

Mr. Lin is a vice chairman of the Chinese Writers' Association. He became something of a folk hero to millions of Chinese for his exposés of greed and corruption in the Communist Party.

According to the official Xinhua news agency, Mr. Lin, 62, was formally expelled on Friday by the party discipline inspection committee of People's Daily, the party's official newspaper.

The agency reported that he "made speeches and wrote articles on many occasions in violation of the party constitution, discipline and resolutions."

He was also charged with criticizing a set of ideological precepts that declare inviolable the primacy of the Communist Party, the adherence to socialism, the permanence of the "people's democratic dictatorship," and the dominance of Marxism, Leninism and the thought of Mao Zedong.

Mr. Lin, the news agency said, attacked these four cardinal principles as "outdated, rigid and dogmatic concepts and worn-out

phrases that have led China to calamitous and any times."

"He also vilified the Communist Party as 'having degenerated,'" the agency said. "Lin gravely violated the journalistic principle of respecting facts and cross-checking to make facts accurate. Lin even went so far as to fabricate facts to attack the party and confound readers unaware of the truth."

In one of his most celebrated investigations, Mr. Lin uncovered a network of bribery and influence-peddling run by a party secretary in Manchuria. The secretary, Wang Shoulin, was found to have embezzled large sums of money.

At the time, party officials linked to Mr. Wang accused Mr. Lin of slandering socialism and defaming the party. In the end, Mr. Wang was sentenced to death.

One of Mr. Lin's books under attack, "A Second Kind of Loyalty," questions the pervasive emphasis on blind obedience to party leaders. The book is being denounced as undermining the prestige and legitimacy of the party.

Among the other intellectuals who will be targeted in coming weeks, according to Chinese sources, are Wang Ruoshang, a former editor of People's Daily, and Yu Guangyuan, an economist and member of the Central Advisory Committee of the Communist Party.

■ Student Arrested

China announced Sunday that a university student had been arrested for allegedly passing intelligence material to an American journalist, Reuters reported from Beijing.

The Xinhua news agency said that Lin Fei, a student in Tianjin, was charged with "providing intelligence" to Lawrence MacDonald, a reporter for Agence France-Presse.

It said the authorities had collected "conclusive evidence" of the student's "secret collusion" with Mr. MacDonald, who has been working in Beijing for about two years.

Mr. MacDonald was scheduled to return to Beijing from Hong Kong on Sunday but apparently decided not to make the trip after the student's arrest was announced.

The Chinese report made no specific accusation against Mr. MacDonald, but a Western diplomat said the tough phrasing of the report indicated that the Chinese authorities could be intending to charge him. The diplomat said that, in China, "a person who receives a state secret is as culpable as a person who offers it."

## Pakistan Asks for Talks On Border Alert by India

Agence France-Presse

ISLAMABAD, Pakistan — Prime Minister Muhammad Khan Jumejo called Sunday for negotiations with India to avert what he termed "unimaginable destruction" in the region that might arise from the increase in border tension in the last week.

The prime minister, addressing an emergency session of the legislature to discuss the situation, said that Pakistan had taken "appropriate measures" after India sealed its border in the northern state of Punjab, adjoining Pakistan, and placed its forces on alert to counter Pakistani troop deployments.

He said that Pakistan was striving for peace, but added, "Let there be no mistake about our resolve to resist aggression." He warned that "irresponsible actions" would be "catastrophic" for the whole region.

■ India Urges Talks

Sanjay Hazarika of the New York Times reported from New Delhi:

Police in London Raid New Statesman Offices

Agence France-Presse

LONDON — Police searched the offices of the New Statesman here Sunday after the leftist weekly published an article alleging government plans to launch a spy satellite to monitor Soviet communications.

Police said they seized four documents during the search and talked with Duncan Campbell, the journalist who wrote the article.



Greenpeace released this photo of members unloading gear Sunday at Cape Evans, where the group set up a camp in its effort to get the Antarctic declared a world park.

## Greenpeace Presses for an Antarctic Park

Reuters

WELLINGTON, New Zealand — Scientists from the environmental organization Greenpeace arrived in the Antarctic on Sunday in an attempt to have the frozen continent declared a world park.

The group's protest ship, the Greenpeace, was anchored off Cape Evans on Ross Island, and the crew began unloading gear for construction of a land base, said the coordinator of the expedition, Peter Wilkinson.

Mr. Wilkinson said it would take about a month

to build the installation. The four Greenpeace scientists plan to spend the seven-month-long sunless winter studying fish populations, krill and body-heat loss.

By undertaking scientific research and establishing a year-round camp, Greenpeace aims to focus attention on dangers to Antarctica's environment and to have the continent declared a world park. Greenpeace attempted the project last year but failed to reach Cape Evans because of heavy pack ice.

## Gorbachev Assails Aides On Farming

By Philip Taubman  
New York Times Service

MOSCOW — Mikhail S. Gorbachev, the Soviet leader, has rebuked Soviet farm officials for failing to reverse chronic agricultural problems, Tass reported.

The Soviet news agency said Saturday that Mr. Gorbachev and other leaders, addressing a special agriculture conference on Friday, said the Soviet Union could not wait for a slow modernization of the farm economy.

"As to the food problem, comrades, we must get it moving," Mr. Gorbachev said. "We have been marching in place too long and have literally stuck fast in these matters."

Referring to farm production in the first half of the decade, he said, "The whole of the 11th five-year plan period was a whodunnit."

He added, "We have been stalled since 1972, especially since 1975."

Mr. Gorbachev, who was party secretary for agriculture from 1979 to 1985, has generally been restrained in his criticism of the farm economy.

Western diplomats said his remarks and the special meeting Friday suggested an intensified effort to deal with food shortages and the array of problems that produce them. These include inefficient farm management, processing and distribution problems and a subsidized pricing system that makes it cheaper for farmers to feed pigs with bread than grain, they said.

Mr. Gorbachev announced that a Central Committee meeting would begin Tuesday to deal with party organization, discipline and personnel matters.

Such a meeting was originally expected in December, and it has become a subject of speculation because of the unusual delay and reports that policy and personnel changes advocated by Mr. Gorbachev had encountered opposition.

There have been reports of an imminent leadership shake-up, with Mr. Gorbachev, party general secretary since 1985, completing his consolidation of power by replacing the last holdovers of the 1964-1982 Brezhnev era.

Yegor K. Ligachev, the second-ranking party leader, criticized farm production in the Ukraine at Friday's meeting. He said that party officials in the Ukraine had been "intolerably slow" in reorganizing agriculture along the new agricultural lines, in which crop production is combined in management with processing and distribution.

He said the Ukraine, once a source of excess grain, had become a consumer of grain produced in other regions, a reversal considered unacceptable. The Ukrainian party chief, Vladimir V. Shcherbitsky, is one of the members of the Politburo who rose to national prominence when Leonid I. Brezhnev was the party general secretary.

Moscow reported recently that the grain harvest in 1986 was 210.1 million tons (231.1 short tons), up from 191.7 million metric tons in 1985, and the best since 1979. The Soviet Union has resumed the publication of grain figures after imposing secrecy in the early 1980s to conceal poor results.

The grain crop during the four-year period 1981-84, it now turns out, averaged only 177.2 million metric tons.

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## Papandreou Is Willing To Discuss U.S. Bases

By Henry Kamm  
New York Times Service

ATHENS — Prime Minister Andreas Papandreou has told parliament that Greece would be prepared to negotiate with the United States for the continuation of American military bases on what he called "a zero basis."

Mr. Papandreou, a Socialist, said this meant the United States would have to negotiate as if the bases were nonexistent after the expiration of the present agreement in December 1988.

Despite the warning, the announcement indicated a readiness by Mr. Papandreou to envision the presence of the four major military installations after the agreement expires.

Since Mr. Papandreou became the leader of the Greek left on the return of democracy in 1974, he has committed himself to the removal of the bases.

When he concluded the present agreement in 1983, he often asserted that its termination next year would mean the closing of the bases.

The principal advantage to Greece for agreeing to keep the American bases are U.S. military credits. The credits, which in this fiscal year amounted to \$432 million, are unlikely to continue if Greece removes the bases.

## 195 Hurt in London Clashes

The Associated Press

LONDON — In the worst outbreak of violence in the years-long protests at Rupert Murdoch's newspaper printing plant in East London, 162 police officers and 33 civilians were injured Saturday night and Sunday morning, police said. Sixty-seven arrests were made.

A deputy assistant police commissioner, Wyn Jones, accused demonstrators of attacking as many officers as possible with gasoline bombs, paving stones, iron bars and other missiles.

A rally Saturday night, marking

the first anniversary of Mr. Murdoch's move to a high-tech factory in Wapping and his firing of more than 5,000 printers, drew an estimated 12,000 people. It began with a jazz band and a carnival atmosphere, but quickly turned violent. Demonstrators fought police outside the plant for more than five hours.

Most of the 162 injured policemen were struck by thrown objects. Two remained hospitalized Sunday with head injuries, police said. Three of the 33 injured civilians were hospitalized overnight.

## Iran Asserts It Downed 3 Iraqi Jets Over Front

Reuters

TEHRAN — Iranian anti-aircraft units shot down three Iraqi jets over the central front, where the Iranian Army is engaged in a limited offensive against Iraq's 2d Army Corps, Tehran radio said Sunday.

It also said the army fired four medium-range missiles at strategic targets in Khanaqin, 90 miles (145 kilometers) southeast of Baghdad, and in the southern city of Basra.

For the second successive day, there were no new Iranian reports on ground fighting on the southern front, where Iranian forces launched a drive across the border Jan. 9.

Iran says its forces pushed through strong Iraqi defense lines, advancing to within six miles of Basra and a few hundred yards from its suburbs on the south bank of the Shatt-al-Arab waterway.

An Iraqi field commander, meanwhile, said the Iraqis had suffered decisive blows and were besieged. Iraqi forces are in full control of the battlefield and the Iranian has defect, said Brigadier Abdul-Wahid al-Rabat, commander of a division defending Basra.

Reporters were taken to see some of the Iraqis' newly captured territory, including an island in the Shatt-al-Arab and a battered military township in palm groves east of Basra.

Iranian leaders say the aim of the offensive is not to seize Basra but to crush Iraq's war effort and prepare

the way for a final assault to topple Iraq's president, Saddam Hussein.

Tehran radio said Iran planned to send 100,000 fresh troops to the front in February, coinciding with celebrations marking the eighth anniversary of the Islamic revolution.

## Royal Composer Sounds Sour Note About Thatcher

The Associated Press

LONDON — Malcolm Williamson, the composer who holds the only music post in Queen Elizabeth II's household, has said in a radio interview that Prime Minister Margaret Thatcher is a "stupid, mindless philistine" who has hurt culture more than any other British leader since World War II.

In an interview Friday on Radio 4, Mr. Williamson said that Mrs. Thatcher had "done more damage to education, to music, to culture than any prime minister since the war."

A spokesman for Mrs. Thatcher said she would be the first to accept that Mr. Williamson had a right to his opinions.

## Aquino Urged By Cardinal To Act on Land Reform

By Keith B. Richburg  
Washington Post Service

MANILA — Cardinal Jaime L. Sin, the archbishop of Manila, said Sunday the government's failure to carry out a land reform program was "in great measure" responsible for last week's shooting deaths of at least 12 demonstrators near the presidential palace.

As the cardinal made his remarks, about a hundred demonstrators carried empty black coffins to Mendocino Bridge, the scene of the shooting, and unveiled a black banner that read: "Happy birthday Cory" in grim reference to President Corason C. Aquino's 54th birthday Sunday.

In a strong pastoral letter, read at the Manila Cathedral, Cardinal Sin said: "We ask our government, in the wake of this tragedy, to turn its attention to the issue of land reform and the concerns most closely related with it."

The government's "credibility," he said, depends upon "its sincerity and readiness to act in this area."

"We realize that what has been beyond the capacities of past governments for so many decades, and perhaps centuries," he said, "cannot be adequately resolved in a few months. But realistic implementation of programs must begin, with all deliberate speed."

Cardinal Sin's message seemed likely to add to the pressure on Mrs. Aquino, who has been sharply criticized even among her supporters for moving too slowly on carrying out a land reform program.

Cardinal Sin's remarks were considered especially significant because he is one of the president's most influential private advisers and he has used public criticisms to focus attention on problems such as disputes in the cabinet and the failure to curb endemic government corruption.

The protest march last week began as a weakling sit-in at the Agrarian Reform Ministry by peasant farmers demanding that the government distribute public lands and land taken from associates of Ferdinand E. Marcos, the former president. The peasants were also demanding that Mrs. Aquino demonstrate her commitment to land reform by starting with her own family estate, Hacienda Luisita in Tarlac Province.

On Friday, the day after the shootings, the presidential press spokesman, Teodoro Benigno, said that despite the violence, "the issues brought up by the farmers and peasants are legitimate issues." He reiterated the Aquino government's commitment to land reform.

When Mrs. Aquino refused to meet with the peasant farmers, they marched to the presidential palace and were joined by leftist demonstrators and other groups.

The military claims to have received reports that the protesters included agents of the Communist Party of the Philippines and its military wing, the New People's Army, who wanted to provoke a confrontation.

The shooting began when the crowd surged against a police line and troops responded with rifle fire. Government officials complicated the firearms used by the troops and tested their hands for gunpowder burns as part of an investigation into who fired the fatal shots.

The toll from the confrontation was 12 dead and about 100 people wounded, based on telephone calls to area hospitals. However, Mrs. Aquino, in a weekend speech, referred to 15 dead. Leftist organizers of the rally contended that at least 18 died.

The final death toll may never be accurately determined. But it is clear that the shootings have become the most severe crisis of Mrs. Aquino's presidency, at a time when she is trying to mobilize public support for a new constitution scheduled for a plebiscite on Feb. 2.

In an analysis Sunday in the Manila Chronicle, Amador Doronila, the editor, warned that the shootings shocked the middle-class liberals who form the base of Mrs. Aquino's constituency.

"There is now the danger that she would be using their support, especially at this critical juncture, for the ratification of the draft constitution," he wrote. He cautioned that Mrs. Aquino "may find her middle ground — her main source of political strength — severely eroded."

■ Rights Advisers Resign

The chairman of the Philippines' human rights agency and several members of the board have resigned to protest the shootings, an official said Sunday, United Press International reported from Manila.

Antonio Quinsao, director of the Presidential Committee on Human Rights, said the committee's chairman, vice chairman, and three other members submitted a joint letter of resignation on Friday.

Mr. Quinsao said the members would meet Monday with Mrs. Aquino.

Ugandan Refractory Leader

Reuters

KAMPALA, Uganda — Youssef K. Lule, the first leader of Uganda's ruling National Resistance Movement and the country's president after the fall of Idi Amin, has been rebuffed in his homeland with full military honors. Mr. Lule died in London in January 1985.

## WORLD BRIEFS

### Spanish Students Plan More Protests

MADRID (Reuters) — Leaders of the high-school student protests in Spain said Sunday that more protests were planned for this week, and a poll published by the newspaper El Pais showed that 67 percent of the Spaniards questioned believed that students had legitimate grievances. Thirteen percent backed the government.

The Student Union leader, Juan Ignacio Ramos, said students would boycott classes Monday to demand the resignation of Interior Minister José Barriomero Peña, whom they hold responsible for the police action Friday that left 24 injured in Madrid.

A rival group, Student Coordinator, has called for an indefinite strike and a protest meeting in Madrid on Tuesday and has demanded the resignation of Education Minister José María Maravall Henarro.

### U.K. Conservatives Gain in Survey

LONDON (AP) — The Conservative Party held an eight-point lead over the opposition Labor Party in an opinion poll published Sunday in The Observer. The weekly newspaper said it was the best showing Prime Minister Margaret Thatcher's party had made in a poll in more than two years.

The Harris poll showed the Conservatives with 44 percent, Labor with 36 percent and the centrist alliance of Social Democrats and Liberals with 18 percent. On Friday, however, Labor had a five-point lead over the Conservatives in a Gallup poll commissioned by the Daily Telegraph. The Observer poll of 1,093 voters was carried out Tuesday to Thursday nationwide. The Conservatives won re-election in 1983 with 44 percent of the vote. Mrs. Thatcher has to call a general election by June 1988 and is widely expected to do so this year.

### Peres to Meet EC Ministers in Brussels

BRUSSELS (Reuters) — Foreign Minister Shimon Peres of Israel will meet European Community foreign ministers here Monday amid skepticism about his call for a more active European role in bringing peace to the Middle East, diplomats said Sunday.

Mr. Peres was to be in Brussels for annual consultations between the European Community and Israel on political and economic issues. Before formally meeting the ministers, he is to have talks with Foreign Minister Leo Tindemans of Belgium, the current president of the EC Council of Ministers.

During a visit to London last week, Mr. Peres received a cool response from British leaders to his call for greater European involvement in the Middle East. Diplomats said most other EC nations shared the British attitude, although Mr. Tindemans has said that EC ministers would meet to discuss if there is room for a European bid to reactivate Mideast peace efforts.



A policeman guarded Kuwait airport as officials arrived.

### Bombing Precedes Kuwait Meeting

KUWAIT (NYT) — A small bomb exploded behind a police station here, two days before a meeting of leaders of Moslem nations was scheduled to begin Monday.

Although the bomb appeared to cause no serious damage or injuries on Saturday, it appeared likely to increase the tension surrounding the meeting of The Islamic Conference Organization. Iran is boycotting the meeting and several terrorist groups, including the Islamic Jihad, have threatened Kuwait if the meeting goes ahead.

On Jan. 19, three bombs went off at about the same time at Kuwait's main offshore oil shipping terminal at Sea Island and two other oil installations, setting fires that reportedly caused serious damage.

### Japan Drops Cap on Military Budget

TOKYO (NYT) — Japan has formally dropped a policy that had put a cap on yearly increases in military spending. But it coupled the action with a promise to stay "a peace-loving nation."

A government statement said Saturday, "The fundamental defense concept of Japan under its Peace Constitution is to maintain an exclusive, defensive posture and not to become a military power that presents a threat to other nations."

The statement was intended to deflect criticism as Prime Minister Yasuhiro Nakasone's cabinet did away with a decade-old requirement that had confined the annual military budget to less than 1 percent of the Japanese gross national product. The policy, established in 1976, was breached for the first time last month when the government approved a \$23 billion military budget for 1987, equivalent to 1.004 percent projections for the GNP, which measures the total value of a nation's goods and services.

### \$70 Million Pledged to Africa Fund

NEW DELHI (UPI) — Nine nonaligned nations launched a worldwide appeal Sunday for contributions to the Africa Fund that would help frontline black African states break their economic dependence on South Africa.

An official said that almost \$70 million had been raised in initial pledges, with India giving \$39 million, Nigeria \$15 million and Peru \$10 million after the closing session of a two-day meeting to formulate plans for administering the program.

The Africa Fund was proposed in September at the summit meeting of the 101-nation Nonaligned Movement. It includes Algeria, Argentina, Congo, India, Nigeria, Peru, Yugoslavia, Zambia and Zimbabwe.

### Police Said to Hold Kenya Lawmaker

NAIROBI (AP) — An outspoken member of Parliament, Abuya Abuya, was picked up Saturday by security police and taken to an unknown destination, press reports in Kenya said Sunday.

It was not known why Mr. Abuya had been picked up by the Special Branch police, the reports said. The authorities seized his passport in August 1982.

Mr. Abuya entered Parliament in 1979 and often has been critical of prominent Kenyan political figures. He has been identified with a group of young deputies known for their relatively outspoken and often critical views of Kenya's one-party political system.

### Belgium's Language Dispute Flares

BRUSSELS (Reuters) — The tension between Belgium's two major language communities mounted further Sunday following the firing of four French-speaking welfare board members for insufficient knowledge of Dutch.

The president of the communal social security administration in a village on the outskirts of Brussels and three administrative deputies in a neighboring village were dismissed by a Flemish court, newspapers reported, because the two villages, although mainly Francophone, are administratively within a Dutch-speaking area.

Belgium's center-right government has come close to collapse as its members have wrangled over how to resolve the issue of Jose Happort, the mayor of the mainly French-speaking Fournous group of villages who was suspended for refusing to use Dutch, the province's main language, in carrying out his duties.

### For the Record

The Conference on Security and Cooperation in Europe resumes Tuesday in Vienna with 35 states considering initiatives on East-West cooperation on security, human rights and economic issues. (Reuters)

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## Hospitalized CIA Chief Expected to Quit Soon

By Lou Cannon

Washington Post Service

WASHINGTON — William J. Casey, the director of the Central Intelligence Agency, who is recuperating after the removal of a cancerous brain tumor, will "resign soon," according to a Republican source close to the Reagan administration.

The source said Mr. Casey, 73, would return home from Georgetown University Hospital this week and soon afterward offer his resignation to President Ronald Reagan. Mr. Casey is a close friend and confidant of Mr. Reagan and served as manager of his 1980 presidential campaign.

A senior White House official said that Mr. Casey was "aware of reports that Mr. Casey may resign" and that "the president will be guided by his wishes."

The CIA denied Friday that Mr. Casey would resign as early as this week.

Officially, White House aides have maintained that no search is under way for a successor to Mr. Casey. But officials acknowledged last week that the White House chief of staff, Donald T. Regan, had talked with Howard H. Baker Jr., the former Senate Republican leader from Tennessee, about taking the job.

According to sources, Mr. Baker insisted that the request be made by the president rather than by Mr. Regan. These sources said that Mr. Regan, either through a misunderstanding or deliberately, then told the president that Mr. Baker was not interested in the job.

Mr. Regan then called Mr. Baker and told him he was sorry he was not interested in the job, the sources said.

The source who said that Mr. Casey would resign soon identified three potential replacements: William H. Webster, the director of the Federal Bureau of Investigation; Senator Malcolm Wallop, Republican of Wyoming; and John G. Tower, former Republican senator of Texas.

Other sources said, however, that possible successors included Robert M. Gates, who is acting CIA director in Mr. Casey's absence, and Brent Scowcroft, who served as national security adviser to President Gerald R. Ford.



William J. Casey

## U.S. Rebuffed, Iranian Says

New York Times Service

TEHRAN — The Foreign Ministry has rebuffed a final effort by the Reagan administration to maintain contact with its government, according to Iran's president.

Speaking at the Friday prayers at Tehran University, the president, Ali Khamenei, appeared to describe an initiative undertaken by the Central Intelligence Agency in December, several weeks after the administration first said it had conducted a secret arms trade with Iran.

Apparently referring to a time after the administration's Iran initiative had collapsed, Mr. Khamenei said, according to an unofficial translation: "The Americans still tried to pursue their plans through the Foreign Ministry, but our brothers at the Foreign Ministry encountered them with the same Islamic stand as they had encountered the first time, and they demonstrated the steadfastness of the Iranian people to them."

### Princeton President Resigns

United Press International

PRINCETON, New Jersey — William G. Bowen, the president of Princeton University since 1972, has resigned. He said Saturday that he would head the New-York based Andrew W. Mellon Foundation.

# Hostages Were Reagan's Main Concern, North Said

By Walter Pincus

and Bill Peterson

Washington Post Service

WASHINGTON — Lieutenant Colonel Oliver L. North said in November that President Ronald Reagan's primary interest in approving an initiative to Iran that included secret arms sales was freeing U.S. hostages in Lebanon, according to notes held by the Senate Select Committee on Intelligence.

Colonel North said that whenever he or Robert C. McFarlane, a former former national security adviser, tried to talk to Mr. Reagan about the geopolitical aspects of the arms sales, such as the broader goal of reaching moderates in the Iranian government, "the president would steer the conversation to the hostages," a source familiar with the extensive notes said Saturday.

Colonel North's comments were made during a Nov. 22 interview with Attorney General Edwin Meese Jr., from which the notes were made.

"I would say we have to view this in a geopolitical context and the president would keep coming back to the hostages," the source quoted Colonel North as saying to Mr. Meese.

"No matter what we did," the former National Security Council aide was quoted as saying, Mr. Reagan "wanted to talk about the hostages."

The Senate committee staff has obtained other evidence, including notes from NSC meetings, that support the conclusion that Mr. Reagan's advisers "were thinking in larger terms, but Reagan wasn't," this source said.

Mr. Reagan's preoccupation with the hostages has been frequently cited since the clandestine arms sales to Iran became public.

Mr. Meese's account to the Senate panel of what Colonel North told him of Mr. Reagan's motivation appears at odds with Mr. Reagan's public statements on the issue. Mr. Reagan has repeatedly said he did not authorize an exchange of arms for hostages and that the major purpose of the initiative to Iran was geopolitical.

Colonel North made his statements to Mr. Meese as part of the attorney general's initial inquiry into the Iran affair, the weekend before Mr. Meese announced that money from the arms sales to Iran had been diverted to the Nicaraguan rebels, known as contras.

Mr. Meese recounted to the Senate committee his version of that interview, but Colonel North has declined to answer questions, citing his Fifth Amendment privilege against possible self-incrimination. Mr. Meese has not disclosed the contents of his Nov. 22 conversation with Colonel North other than to announce later that Colonel

North was aware that money from the arms sales had been diverted to the rebels.

A new report, which was being edited last weekend, has been drafted by the staff of the intelligence committee, which Democrats now control. The draft is expected to be circulated to committee members for their review this week.

It will contain more information about Mr. Reagan's role in the Iran initiative than the draft put together by the committee while under Republican control. That document "left out an awful lot of detail about Reagan," according to sources, and was never released.

The revised staff report will also contain information about Vice

President George Bush that had been left out of the earlier version primarily because it was "embarrassing," a source said.

Mr. Bush, who had chaired a cabinet-level task force on terrorism and has sometimes portrayed himself as an expert on the subject, was aware of the arms sales but was "not a player," according to a source who has reviewed the committee's records.

When Senate investigators interviewed participants in meetings where Iran arms decisions were made, a source said, they were repeatedly told that Mr. Bush was not present at those meetings even though he holds a seat on the NSC

and acts as a spokesman on terrorism policy.

The new report shows, a source said, "how totally irrelevant Bush has been to the whole affair. He was never there."

### Immunity Is Opposed

Lawrence E. Walsh, the court-appointed independent counsel investigating the Iran-contra affair, has urged congressional investigators not to grant immunity from prosecution to any witnesses until his work is finished, The Washington Post reported.

In a letter to Representative Lee H. Hamilton, Democrat of Indiana and chairman of the House select committee looking into the contro-

versy, Mr. Walsh warned that immunity granted at this stage would "create serious and perhaps insurmountable barriers to the prosecution of the witnesses."

Mr. Reagan, supported by a number of House and Senate Republicans, has proposed that limited immunity be granted to primary figures such as Colonel North and the former national security adviser, John M. Poindexter, who was Colonel North's supervisor and who also invoked his Fifth Amendment privilege.

Mr. Reagan's stated interest in seeing immunity granted is to get the facts out and the affair behind him as quickly as possible. Mr. Walsh's purpose, on the other

hand, is to determine whether crimes have been committed and, if so, to prosecute the perpetrators.

Under the law, Mr. Walsh is powerless to stop the committees from compelling testimony under a grant of immunity. But once such immunity has been granted, successful prosecution can be mounted only if the government can show that its evidence was gathered independent of the immunized testimony and of any leads derived from that testimony.

"The government's burden of proving the independent nature of its evidence is so great that successful prosecution usually would be extremely difficult," Mr. Walsh said in the letter.

## AMERICAN TOPICS

### Lawyers Criticized For Chasing Disasters

The legal profession is once again being accused of predatory conduct in rushing to disaster scenes — the Bhopal gas leak disaster of 1984, the Puerto Rico hotel fire on New Year's Eve, the Maryland train crash Jan. 4, The Washington Post reports.

Luis Devila Colon, the head of the Puerto Rican Bar Association, likened some mainland lawyers to "vultures who come to look for clients."

Lawyers have been called ambulance-chasers for as long as there have been lawyers and ambulance. But complaints have grown louder. Experts say this is because the practice of law has become more competitive, damage awards have reached astronomical heights, and the Supreme Court has expanded lawyers' right to advertise.

"There are more lawyers doing personal injury work than ever before," says David Austern of the Association of Trial Lawyers of America. "The competition is very, very fierce."

But Professor Monroe H. Freedman of Hofstra University says: "The lawyers who are making these trips are earning their living by the way reporters earn their living by going to accident scenes, and doctors and medical technicians earn their living by going to accident scenes. The question is whether they are serving a positive social function, and it is clear to me that they are."



MAKING A GLIDING GO OF IT — A horse and rider glided along a road near Interstate, Pennsylvania, hit by 15 inches of snow in a storm along the East Coast late last week. For many others, the going was

harder. Temperatures near zero Fahrenheit and high winds caused dangerous wind chills Saturday in the North. Freeze warnings were posted as far south as central Florida. The weather was a factor in 15 deaths.

### Short Takes

To make a congressional pay raise more palatable to the public, Robert C. Byrd of West Virginia, the Senate majority leader, is exploring the possibility of tying it to stricter limits on outside speech-making. At present, members of Congress can earn up to 40 percent of their salaries on the lecture circuit. A salary increase to \$89,500, from \$79,500 will take effect automatically next month unless both houses of Congress vote to block it. This is considered unlikely.

A new product for the overweight, "Flavor Spray," gives the tongue the hunger-quenching taste of apple-cinnamon Danish rolls, chocolate, or peanut butter and jelly. The inventor is Susan Schiffman, a Duke University nutrition psychologist, who says that 20 seconds after a squirt of the

spray, the craving is subdued. Two more flavors are soon to come: chocolate coconut and strawberry cheesecake.

### Neo-Nazis Countered West of the Hudson

Mayor Ray Stone of Coeur d'Alene, Idaho, and fellow townspeople who stood up to a neo-Nazi group called Aryan Nations came to New York to receive the Rasmusen award, named after the Swedish diplomat who disappeared in Soviet custody after saving thousands of Hungarian Jews during World War II.

The town of 20,000 set up a task force to help blacks who said they had been harassed by Aryan Nations. It lobbied successfully for a state law making such harassment a felony. It set up a countercelebration to be held each year on the same day the

neo-Nazis held their nationwide convention.

The mayor said he wasn't really "up on" the subject of global discrimination. "I never got too excited," he said. "We just did what we felt was right, what was American."

But he was bemused by interviewers: "I couldn't believe it. Time magazine, BBC, London Times. Eastern reporters would say, 'So, what's it like out there in Iowa?' All the same to them, I guess."

### Notes About People

The Hollywood screenwriter Ring Lardner Jr. spent a year in jail in 1950-51 for refusing to tell the House Committee on Un-American Activities whether he was a Communist. "I could answer that question," he testified, "but I would hate myself in the morning." Now 71, Mr. Lardner

reflected during a tour visit to Moscow this month, "I still think some form of socialism is a more rational way to organize society. But I recognize it hasn't worked anywhere yet."

## Investment Strategies & Opportunities on the Paris Stock Exchange



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09.45 NEW TECHNIQUES OF OPERATING ON THE PARIS BOURSE  
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10.45 COFFEE  
10.45 FRENCH INSTITUTIONAL INVESTOR PANEL: Industry Group Selections for Stock Market Performance in 1987. Panel participants: Credit Agricole, Credit Lyonnais, Groupe Victoire, Société Générale.  
12.45 LUNCH  
12.45 LATEST COMPANY DEVELOPMENTS  
12.45 LUNCH  
12.45 IS THERE A MEANINGFUL CHANGE IN NATIONAL ATTITUDES TOWARDS BUSINESS IN FRANCE?  
Guest speaker: David de Rothschild, Chairman, Rothschild & Associates Banque.  
14.45 FRENCH INSTITUTIONAL INVESTOR STRATEGY AND SELECTIONS ON THE PARIS BOURSE  
Panel participants: AXA, Crédit Commercial de France, Crédit du Nord.  
16.45 LATEST COMPANY DEVELOPMENTS  
16.45 OPPORTUNITIES IN FRENCH TECHNOLOGY.  
Jacques Malinvaud, General Manager of France's Ministry, former Chairman and CEO of IBM World Trade Corp.  
17.30 Cocktails

- FEBRUARY 10**  
09.00 THE ECONOMIC OUTLOOK FOR FRANCE.  
Edouard Balladur, French Minister of Economy, Finance and Privatization.  
10.00 COFFEE  
10.30 FRENCH FRANCHISE, INTEREST RATE AND BOND MARKET PERSPECTIVES.  
Panel participants: Banque Indosuez, Banque Nationale de Paris, Crédit Industriel et Commercial, Group des Assurances Nationales.  
12.00 LATEST COMPANY DEVELOPMENTS  
12.30 LUNCH  
14.45 THE REGULATION OF FRENCH INDUSTRY AND ITS IMPACT ON CORPORATE COMPETITIVENESS.  
Alain Madelin, French Minister of Industry, Post/Telecommunications and Tourism.  
15.45 LATEST COMPANY DEVELOPMENTS  
15.45 FRENCH INSTITUTIONAL INVESTOR SELECTIONS ON THE PARIS BOURSE.  
John Reinsberg, Overseas Fund Manager, General Electric Investment Corp., Hugh Priestley, Director, Henderson Administration Plc., Steven Schaefer, Managing Director, Oechsle International Advisors.  
Panel moderator: Roger Homett Head, European Division, James Capel & Co., London.

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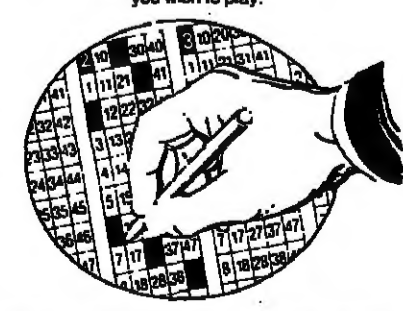
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# Herald Tribune

Published With The New York Times and The Washington Post

## State of the President

What is new is not the state of the Union but the state of the president. Starting suddenly, on successive days last November, the Reagan administration changed. Six years of genial inactivity have faded fast, and that is why the president's report to Congress on Tuesday ranks in importance with his first one. It will show whether Ronald Reagan, whose resilience has been so often underestimated, can bounce back once again. The chances are strong that he cannot, at least not all the way.

Last Nov. 3 brought one reason: the first disclosure of the Iran-contra scandal. Then Nov. 4 inflicted a different wound: loss of the Senate to the Democrats. There are other reasons, too. As time passes, loyal aides trail away, leaving third-stringers in their place. For all Mr. Reagan's vigor, age and hospitalizations cannot help eventually affecting acuity. Still, that his administration is weaker does not mean it is helpless or inert. Freedom is a good horse, Matthew Arnold wrote, but a horse to ride somewhere. The measure of the president's speech is where he wants to ride.

There is no end of important goals, like a credible anti-terror policy, a constant policy on drugs, insuring against catastrophic medical expenses. This speech will lay out the agenda for the rest of the Reagan presidency. If he means to be taken seriously, five subjects loom largest.

**Peace.** The first priority is arms control. At Reykjavik, negotiating progress was derailed into a train wreck of confusions. Still, this remains a rare moment. The Soviet leader seems eager to deal. The window of vulnerability now looks like a window of opportunity. If only the president will see the opening. Likewise, there is no way to tell if negotiation is possible in Central America without giving it a serious try.

**Fiscal fidelity.** The national debt now tops \$2 trillion, double the pre-Reagan total. How much is a trillion? Just counting to a trillion, one number per second, would take 32,000 years. The president cannot raise defense spending, cut the deficit and forbid new taxes any more this year than he could in 1981. The besetting error all along has been to believe him when he says he hates deficits. If he did, a president with such popularity and power would, over six years, have done something about it.

This deficit is no despoiled orphan. It is President Reagan's child, and secretly he

loves it, as David Stockman has explained: The deficit rigorously discourages any idea of spending another dime for social welfare. But that tower of debt, along with its twin towers, the trade deficit, now cast over darkness shadows. To dare Congress to raise revenues is not leadership; it is playing chicken with our children's money.

**Protecting against protectionism.** The steel worker who has lost his job because of imports grumbles for the most obvious remedy: ban imports. What he cannot be expected to remember is that trade barriers cost more jobs and more dollars than they save. Protectionists can be as powerful as they are mistaken, however, and Mr. Reagan will be judged by how imaginatively and stubbornly he protects against them.

**The family.** A Republican named Eisenhower championed disability insurance, and a Republican named Nixon championed food stamps. If President Reagan is serious about welfare and family policy, he could now champion the cause of poor children—whose numbers have risen in his presidency from 11.5 million to 12.8 million. Senator Daniel P. Moynihan, a New York Democrat, calculates that the poverty rate among young children is seven times that among the elderly. Reaganites are the first to claim that the system of Aid to Families with Dependent Children does not work. But beyond denouncing "welfare queens," all the administration offers is two recent interagency committee reports calling on the federal government to do less.

**Race.** In this time of rising turbulence, constructive signals are needed as urgently as constructive programs. Consider the signals Mr. Reagan has sent, from a black point of view, ever since he began his 1980 campaign—in Philadelphia, Mississippi, notorious for three Klan killings in 1964. His administration has argued that segregated academies are entitled to tax exemptions. It bitterly resists affirmative action. The president has yet to meet with the congressional black caucus.

By his choices on Tuesday, President Reagan will show whether he is tired, merely bating down to protect past achievements, or whether he still wants to ride somewhere. By his speech he will tell how he means to be remembered: as a partisan who succeeded as president of the right, or as president of all the people.

—THE NEW YORK TIMES

## Stand Up to Terrorism

With the kidnapping of two German hostages in Beirut, West Germany's handling of the Hamadei case has gone into slow gear. One immediate reason has been the national election; reasonably enough, the government wanted to avoid anything that might have a last-minute impact on the voting. Beyond that, the legal situation is not simple. Mohammed Ali Hamadei was arrested at Frankfurt airport carrying explosives. The United States has charged that he is one of the two terrorists who hijacked a TWA airliner in June 1985 and murdered an American passenger, a young navy diver. The Germans will have to decide where he is to be tried first, for what, and whether to extradite him.

But over all the legal technicalities hangs a familiar and tormenting political question. Will the government proceed with the prosecution or extradition of the suspect, when his friends in Beirut threaten to retaliate by murdering a hostage? Or will it begin reluctantly to consider trading a man accused of murder for the hostages?

In principle it is absolutely clear that a government can never afford to cave in to that kind of threat. The supply of hostages is endless in a world where people travel widely, and to give in merely makes certain types of crime unpunishable and laws

against terrorist violence unenforceable. But governments, swayed by pleas from hostages' families and friends, and fearing blame for another death in Beirut, sometimes find it expedient to waffle and surrender. The Germans are justified in observing that the Reagan administration, in the Iran fiasco, has set the world no very inspiring example of courage and rigor in dealing with terrorists who hold hostages.

A better example was established by Bonn itself in the 1970s. A decade ago the Social Democratic government under Helmut Schmidt sent West German commandos to recapture a Lufthansa airliner that terrorists had seized and landed in Somalia. That government also refused to negotiate with the West German terrorist organization that kidnapped and subsequently killed a prominent industrialist. While terrorism has not entirely disappeared in Germany, Mr. Schmidt's decision in that case was crucial in breaking the momentum of the violent political movement that had sprung up there. Helmut Kohl now has an opportunity to do as much—not for the United States, but for Germans like the Beirut hostages who travel abroad and are entitled to do it free of fear of capture by terrorists who need pawns to trade.

—THE WASHINGTON POST

## Defense Centers Hold

In two very different and important nations, there is a discernible shift away from the long-held belief that voters are allergic to any increase in nonmilitary defense spending. On Friday Japan agreed to end a decade-old policy of keeping military expenditures below 1 percent of gross national product. And in Britain the opposition Labor Party finds it expedient to proclaim the need to strengthen NATO's conventional forces. This is a welcome shift, although the new Laborite gift horse comes with a mouthful of old teeth.

Japan's distaste for military spending goes back to defeat in World War II, to a resulting constitution that restricts spending to "self-defense forces" and to a resurgence of pacifism during the Vietnam War. In 1976 Japan decided "for the time being" to limit military spending to 1 percent of annual output in goods and services. The distress in Washington that followed was ameliorated by creative juggling of accounts that enabled Japan to claim compliance while contributing a bit more.

As a practical matter, the United States has reason to cheer the end of the 1 percent dogma, especially since the 1987 allocation of \$23 billion—which is 1.004 percent of projected GNP—includes cost-sharing provisions for American forces stationed in Japan. Washington rightly pushed for

more from Tokyo in the common defense, but not so hard as to trigger a resurgence of Japanese militarism.

The Laborite shift in Britain was announced in a new policy statement reaffirming the party's opposition to a \$15 billion program for replacing ballistic-missile Polaris submarines with more up-to-date Trident submarines. But for the first time the party declares that it will spend money saved on strengthening NATO's conventional forces. And the statement, "Modern Britain in a Modern World," barely refers to the party's earlier demand for closing down American nuclear weapon installations in Britain.

What has happened is not so much a change of heart as of wind. Heading into a vote this year or early next year, Labor's leader, Neil Kinnock, is finding a responsive audience when he attacks the Conservative government's economic failures. However, polls show that Britons are dubious about Mr. Kinnock's proposal to pull down the nuclear umbrella, in the form of American bases and the British deterrent. Defense is Prime Minister Margaret Thatcher's potential trump, as Mr. Kinnock finally seems to grasp. He appears to be scrambling toward the center on security issues; he has a long way to go.

—THE NEW YORK TIMES

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## OPINION



## High Time For Brandt To Let Go

By Jim Hoagland

BONN — Few outsiders view West Germany dispassionately. As the famous line about the Germans being "either at your throat or your feet" suggests, many Americans think in extremes, and with distrust about this country that America has fought twice in this century.

The Germans are either about to wander out of NATO and do their own pacifist deal with the Russians, or are secretly forming new storm trooper units for a right-wing putsch, depending on which paper you read or which Washington official you catch in unguarded conversation.

It is time to revise such exaggerated and emotional thinking about post-war Germany. Helmut Kohl built part of his re-election campaign around the idea that the German right can carry out dialogue with the Soviet bloc even more effectively than could Mr. Brandt's Social Democrats.

But if part of the story of this year's elections is about the success of Mr. Brandt's early ideas, another part of it concerns his failure in the 1980s to stay in tune with the electorate. As he has moved further left in a search for a new, improved Ostpolitik, the electorate has moved to the right, a trend that the SPD acknowledged by nominating Johannes Rau, a leading SPD moderate, to try to unseat Mr. Kohl.

"We have shown that we walk on two legs, defense and dialogue," Volker Rühe, a Bundestag deputy who is one of the chief foreign policy strategists for Mr. Kohl's Christian Democratic Union, noted in the closing days of the campaign when asked about Ostpolitik moving into the mainstream. "In fact the CDU has more room of maneuver on German-German matters and on Ostpolitik than does the SPD."

"The SPD calculation was that we could handle relations with the United States and the West, but not with the East," Mr. Rühe continued. "They were wrong. And the SPD has given voters the impression that it wants dialogue instead of defense."

Mr. Brandt brought Ostpolitik to life when he became chancellor in 1969 and launched the SPD on its 13-year domination of West German politics. Despite the exaggerated American suspicions of any German talking to any Russian, Mr. Brandt pursued a policy of contact with the Eastern bloc that led to family and commercial exchanges that proved immensely popular with the West German electorate.

Forced prematurely from office in 1974 when a close associate was discovered to be an East German spy, Mr. Brandt remained as party chairman while Helmut Schmidt took over as chancellor. Mr. Brandt stepped over the SPD's personality divide to fit his own leftist ideas into the way for Mr. Schmidt's fall and Mr. Kohl's accession to power in October 1982.

Now 73, Mr. Brandt has said that he will step down as party chairman next year, but he has so far refused to turn over significant power within the party to the younger generation. He has used his party position in the past two years to try to launch an Ostpolitik II, with the SPD negotiating formal though nonbinding agreements with the Communist parties in East Germany, Czechoslovakia and Poland on reducing Central Europe of nuclear and chemical weapons and on other subjects.

This left Mr. Rau spending much of the campaign dodging straight answers on the SPD's foreign policies, which many saw extending more legitimacy for the East bloc regimes while getting nothing immediate back. Mr. Brandt left the impression that he would not be adverse to Mr. Rau going down in defeat, leaving Mr. Brandt free in theory to install more radical forces at the head of the SPD before he bows out.

It is a sad and petty end for a politician who in the early 1970s would have won a Europe-wide poll as the leader with the best chance to become a political giant the size of de Gaulle or Adenauer. He should have recognized long ago that a senior figure can severely damage a political party as well as his own historical legacy.

The Washington Post

## Angola: 'Mutual Interests' With the United States

By Flora Lewis

CABINDA, Angola — Deputy Foreign Minister Venancio de Moura felt the urge to address the men having lunch in the mess hall. He introduced Representative Mickey Leland, a Democrat from Houston.

He said he wanted to explain why "Americans should be welcomed as friends although Angola has no diplomatic relations with the U.S. and Washington is helping the armed bandits." That was a reference to Jonas Savimbi's South African-supported UNITA rebels.

Still, it was unlikely that anybody there wondered about the American visitors. The hall is part of the huge Cabinda Gulf Oil camp, Angola's major petroleum producer and thus its major export earner. Cabinda is an enclave, cut off from the rest of Angola by a sliver of Zaire. Within it the camp is almost completely isolated. It could be a self-contained island. Of the 1,500 people who work there, a little over a third are foreigners who seldom set foot elsewhere in Africa except to catch a plane home.

The Americans spend 28 days on the job and then have 28 days to commute to Texas, Oklahoma or wherever home is, the routine for oilmen abroad. The Angolans may live nearby in Cabinda, or in the capital down

south. But they, too, are part of the closed oil society, learning from the foreign experts with the prospect of eventually moving up to managerial responsibilities. The profits and expenses are split 51 percent for Angola, 49 percent for Chevron, the parent company, and it has been highly satisfactory for both through revolution, war and East-West hostility.

The real anomaly is not even noticeable at the camp and is seldom mentioned. Cuban troops aiding Marxist Angola, some 30,000 in the huge country altogether, protect the enclave. In May 1985 a South African commando unit landed with the aim of blowing up oil storage tanks. They carried UNITA propaganda leaflets to leave behind, so that it would appear that Mr. Savimbi's men had carried out the raid. But they were detected and the plot was exposed.

Wayne Johansen, who manages the camp, said he worried more about security when he went through European airports on his monthly commute to Houston than he did in Cabinda. Company policy, which he does his best to observe, is to keep mum on politics. But it is obviously a strain for Chevron.

The official U.S. stand is that some arms for Mr. Savimbi's rebels, called "freedom fighters" in Reaganese, will induce Angola to send home Cuban troops and Soviet military advisers, open negotiations for a power-sharing deal with UNITA and move away from ties with Moscow. In fact, it associates the United States with South Africa in Angola's eyes.

To say that it is hard to make sense of the policy is an understatement. In a special report on Angola recently, the London-based Economist Intelligence Unit said that American aid would not make a real military difference. European diplomats and Western observers here agree.

The endless Angolan civil war is at a stalemate prolonged by outsiders. As long as the Soviet Union and Cuba maintain their commitment to the government, UNITA cannot impose itself. Its main base is the Ovimbundu tribe in the southeast and it has little appeal to others, although it can stage incursions and disrupt the economy in much of the country. As long as South Africa stands behind UNITA, the government cannot clear out the rebels and get on with development of this underpopulated

(eight million) and potentially very rich country twice the size of France.

Nine-tenths of the country is considered unsecured. The main victims of the war are civilians, who suffer directly and indirectly through hunger, lack of jobs and economic near paralysis. Unlike Mozambique, the other big former Portuguese colony in southern Africa, Angola has not moved much from its pro-Soviet position and Marxist orthodoxy in the direction of pragmatic reforms.

Still, it is evident that it would like to have relations with the United States and Western investments beyond the oil fields. The Cubans have become a chicken-and-egg proposition, with Angola saying that they will be sent home when security permits and the United States insisting on their departure as a first step.

So Mr. de Moura's speech to the oil workers about "friendship with the American people" and "mutual interests" with the United States was really an appeal. The appeal should be heeded, not just for the sake of oil and trade but because the war will not settle the U.S.-Soviet rivalry that rages above people's heads here. Peace, which the nation desperately needs, would make it easier.

The New York Times

## The Good News From the East Looks Exaggerated

By Charles Krauthammer

WASHINGTON — There is a great, mostly unspoken hope in the air, blowing in from the east, bearing news from the Soviet Union and China. The hope against hope is that we have been wrong about totalitarianism.

Pechine, like all other forms of tyranny, it is mortal. Perhaps after all it may be reversible. In Russia, glasnost—openness—is the word. In China, students have taken to the streets demanding democracy and have not been met with glassnost. The supreme leader, Deng Xiaoping, ordered the demonstrations halted. His Directive No. 1, a classic of velvet glove repression, reads: "We can afford to shed some blood. Just try as much as possible not to kill anyone."

China is in the grip of a crackdown. While Soviet intellectuals are encouraged to speak, Chinese intellectuals are warned to hold their tongues. And yet the only real hope lies in China.

The reason is to be found in something said by one of the three purged Chinese intellectuals, Fang Lizhi, a hero of the democracy movement who was fired from his university post: "Democracy granted from above is not democracy in a real sense. It is relaxation of control."

Michael Gorbachev's is a revolution from above. He offers to relax control in order to revive a moribund economy, a sclerotic society and a demoralized intelligentsia. His goal, the best that can come of his efforts, is efficiency: a more agreeable repression, under which workers and intellectuals will improve their production. China's is a revolution from below, a brushfire

rebellion that the leadership is desperately trying to put down. To be sure, the revolution originated from above with economic reforms now almost a decade old. But these have taken root in society and threaten to overthrow party control. First farmers are allowed to sell to market. Then factory managers are given control of their enterprises. Now students demand democracy.

Marx was right. It really is change from below—in material conditions, economics, social structure—that ultimately creates revolution. Marx started by introducing a hint of capitalism. With Western-style economic liberty comes the hunger for Western-style political liberty. Thanks to Mr. Deng, China has incubated a democratic-capitalist revolution, 200 years late.

China's system of socialism is "feudal or semi-feudal in essence," said the Marxist theorist Wang Ruoshang. (Saying so was one of "five major mistakes" for which he was purged, says Chinese television.) Add a bit of capitalism, and Marx prophesied, as did Mr. Deng's hard-line colleagues, precisely what comes next: "bourgeois liberalization," the demand for freedom.

China's curious time warp is reflected even in the poverty of the language of political dissent. The recent pro-democracy speech by Mr. Fang is as stunning for its anachronisms as for its courage. Mr. Fang declared that people "are born with rights." It was a discovery as touching in its

innocence as if some isolated aboriginal tribe had just hit on the idea of the wheel.

Can totalitarianism undo itself? I am not very sanguine, even about China. It lurks from campaign to campaign, every reverse in party line announced in the morning newspaper, dictating what thoughts may safely be worn that day.

In 1984 it was the "anti-spiritual pollution" campaign. The Democracy Wall Movement of 1978-79 was suppressed in 1980. The anti-rightist campaign of 1957 sent to labor camps several million people who spoke up during the predecessor "let a hundred flowers bloom" campaign.

The reversals are again dizzying. Last spring Mr. Hu said "Let a hundred flowers bloom"—again. Now another flower harvest. Mr. Hu is cut down. Fang, Wang and gang are purged. The most chilling repressive device of all, confession, is back in operation. The People's Daily set the tone by criticizing itself for an article last year calling for more democracy. Reports come in from the provinces of self-criticism by professors and teachers. The tale of woe begins again.

Yet the turmoil itself is reason for some hope. Mr. Gorbachev has his revolution firmly, despotically in control. He lights the fuse. In China the students lit the fuse, and so many are burning that the party had to call out the fire brigade. Can it extinguish every spark? I doubt that I will live to see the first anti-totalitarian transformation, but I am cheered by the thought that somewhere in China today there is a baby who might.

Washington Post Writers Group

## Reagan: Asking for Some More Contra Trouble

By Philip Geyelin

WASHINGTON — Sneak preview: It is the cause of the Nicaraguan contras will be front and center among President Reagan's concerns in his State of the Union address tomorrow. For the president, dismantling the "second Cuba" is more than a goal; according to close associates, it is an obsession.

Very well, if what the president wants is a crushing collision and a rapid rerun of last year's debate. With little new evidence to show that the contras can accomplish their fuzzy mission of pressuring the Sandinist government to "negotiate" democracy for Nicaragua, chances of the administration repeating last year's success in Congress were iffy even before the Republicans lost control of the Senate. Shortly thereafter, Attorney General Edwin Meese announced that the White House had lost control of Oliver North.

Now the chances look next to nil.

The Senate margin for the contras last year was close (53 to 47) and the Democrats now have a 10-vote majority. The new House speaker, Jim Wright, thinks Mr. Meese's disclosure that up to \$30 million from arms sales to Iran was skimmed off for the contras "makes it much more unlikely" that the House will sustain last year's narrow 221-to-209 vote.

An accommodating administration might salvage some sustenance for the contras if this were tied to a diplomatic process and to economic aid to shore up Nicaragua's neighboring democracies. But obsession does not lend itself to accommodation. No sooner had the profit-skimming story broken than supporters of contra aid rushed to deny any connection. That U.S. operatives under—or out of—administration control not only diverted Iran arms profits to

the contras but also secretly promoted support for the contras from Brunei and other U.S. clients around the world after Congress had pointedly shut down U.S. military aid is dismissed as irrelevant. "That period is over," says Elliott Abrams, assistant secretary of state for inter-American affairs. "Now the U.S. government is funding the contras."

That is what Mr. Abrams thinks. Some of his congressional adversaries think otherwise. They argue that the contra aid scandals are entirely relevant: an inevitable consequence of a deliberate, covert administration effort to make war without congressional consent. "The administration has been playing with the constitutional war-making process," says one.

The opposition in the House is already mobilizing. The strategy is still up in the air, but last week leaders of the opposition were testing options, counting noses and finding growing support for forging an explicit connection between the scandals and continuation of U.S. aid.

They would do this by imposing a "moratorium" until congressional investigators explain assorted mysteries about what happened—not only to the profits from the Iran arms sales but to the Brunei contribution and congressional grants of humanitarian aid. They want to know how much money the contras received, before they take up the administration's budget request for \$105 million more.

A first test of the strength of the opposition will come early next month when the president must submit a "progress report" before releasing the remaining balance (\$40 million) from the \$100 million approved last year. Congress, after studying the

report, will have until Feb. 15 to vote to block further disbursements.

The "moratorium" approach could still delay any action on next year's budget request until October, when the investigation committee and the Senate must submit their findings. And the findings, in turn, could be sufficiently scandalous to make a shambles of any coherent approach to dealing with the menace that the administration sees in Managua.

It is a troublesome way to deal with an important matter of national security, but an administration insensitive enough to act as if nothing out of the way has happened to its Nicaragua policy is asking for trouble.

Washington Post Writers Group

## IN OUR PAGES, 75 AND 50 YEARS AGO

### 1912: A Victory for Taft

NEW YORK — President W.H. Taft has won the first instructed delegates to the Republican National Convention, carrying the Fourth District of Oklahoma, despite an attempt to stampede the Convention for Theodore Roosevelt. Mr. Taft, leader of the Roosevelt forces, called the Convention to order. Cheers greeted an aeronaut ascended in a balloon with a pennant bearing Mr. Roosevelt's name. At the same time 500 pounds of dynamite was exploded, and a boy dressed as a "Rough Rider" and carrying a banner with the legend "I want Teddy" rode a pony into the convention hall. The election of a chairman followed. A Taft man was elected by a majority of eight. Resolutions endorsing President Taft and instructing the delegates for him were carried by a vote of 118 to 35.

### 1937: Italy Temporarily

ROME — The Italian government, after concerning its policy with Germany, informed Great Britain (on Jan. 25) that the Fascist countries are ready to prevent the recruiting and departure of volunteers for Spain, provided there is an effective system of international control. Count Galeazzo Ciano, Foreign Minister, drafted a note which indicates that neither Rome nor Berlin wants to risk a world war coming out of the Spanish deadlock. And yet the two powers assume no responsibility which would endanger the success of the great offensive with which General Francisco Franco hopes to win an immediate and decisive victory. For the check on volunteers is to become operative when a system of control becomes effective so that there should be no check on German and Italian aid for some weeks.



## INSIGHTS

## Arms Dealer to Iran Reports Israeli-Saudi Role

By Joseph Fitchett

International Herald Tribune

LONDON — U.S. arms deliveries to Iran involved indirect cooperation between Saudi Arabia and Israel, according to an intermediary in the sales, Jacob Nimrodi.

Mr. Nimrodi, an Israeli arms dealer and former intelligence agent, said that leaders in both countries believed that the operation offered an opportunity to bring Iran closer to the West.

Mr. Nimrodi said that he and his partner, Al Schwimmer, founder of Israel Aircraft Industries, worked with Adnan M. Khashoggi, a Saudi businessman with close ties to the royal family of Saudi Arabia. "We had the impression that Mr. Khashoggi was acting with the direct knowledge and approval of Fahd," he said, referring to King Fahd of Saudi Arabia.

Mr. Nimrodi's version of events, provided in a recent interview, describes covert Middle Eastern alliances aimed at containing extremist Muslim fundamentalism in Iran. Challenging the view that moderate Arab leaders were alarmed to learn about U.S. deals with Iran, Mr. Nimrodi said that Saudi Arabia, for example, has been negotiating with Iranian factions since the early 1980s.

His remarks appeared designed to deflect rising public criticism of the role of arms dealers in the formulation of U.S. policy. His account was confirmed in substance, although not always in detail, by other participants.

Mr. Nimrodi contended that Middle Eastern diplomacy is often handled by arms dealers because leaders in the region hesitate to trust their intelligence services with such unorthodox contacts.

U.S. contacts with Iran that were brokered by arms dealers, Mr. Nimrodi contended, produced results until the contacts were pre-empted by U.S. officials. The officials, he said, bungled it through impatience over delays in freeing U.S. hostages and tactlessness in dealing with Iranians.

Mr. Nimrodi says his expertise is based on nearly 15 years in Tehran as an intelligence operative heading an Israeli military mission that trained the shah's forces and sold weapons.

After retiring in 1974, he returned to Tehran as a businessman where he amassed a fortune, often as an agent of the shah's relatives.

His activities established him in an informal international group of arms tycoons, including Mr. Khashoggi, with secret channels to political leaders. Mr. Khashoggi generally is considered the most important figure in the business.

Mr. Nimrodi contends that he and Mr. Khashoggi share a capacity for international intrigue and a visionary enthusiasm for a peaceful Middle East that benefits from what he called "Jewish brains and Arab wealth."

Challenging the media image of Mr. Khashoggi as simply a playboy who amasses fortunes in extravagant and questionable commissions, Mr. Nimrodi said: "This man has done amazing things to try for peace, to help Saudi Arabia, to help the Arabs and the Palestinians, and even, yes, to help Israel."

Israel and Saudi Arabia, which have no diplomatic relations, have never officially ended their state of war.

Mr. Khashoggi, Mr. Nimrodi said, had been the go-between for many secret negotiations for Arab leaders. "Khashoggi is still taking great



Jacob Nimrodi

Adnan M. Khashoggi, the Saudi businessman, has done amazing things to try for peace, to help Saudi Arabia, to help the Arabs and the Palestinians, and even, yes, to help Israel.

risks of his life and for things that he didn't have to do for money," he said.

Mr. Khashoggi, he said, had organized numerous meetings between Israeli and Arab leaders, including prominent Palestinians; obtained help from Sudan's leader at the time, Gaafar Nimeiri, in bringing black Jews out of Ethiopia; and conveyed an offer from Fahd for a \$100-million fund for regional development if Israel would allow the Saudi flag to fly over the Al-Aqsa Mosque in old Jerusalem. More recently, he said, Mr. Khashoggi offered a \$50 million investment if Israel would compromise with Egypt over the Taba enclave on the Sinai.

A spokesman for Mr. Khashoggi would only confirm that he and Mr. Nimrodi had attended meetings with Iranian and U.S. officials. He declined to characterize Mr. Khashoggi's relations with Fahd.

According to Mr. Nimrodi, Mr. Khashoggi became involved with Saudi policy toward Iran in early 1980, shortly after Moslem extremists took over the Grand Mosque in Mecca, Islam's holiest shrine.

Mr. Khashoggi put Saudi officials in touch with an Iranian informant, Manucher Ghorbanifar, an Iranian businessman with links to SAVAK, the shah's internal security service, who had become a foreign-based adviser to Iran's revolutionary government.

He reportedly provided information about plans for terrorism by the new Iranian regime that enabled the Saudis to take countermeasures. "His warnings were coupled with demands for arms for his Iranian sources, and the Saudis thought of him not as a spy but as an emissary of 'moderate' Iranians," Mr. Nimrodi said.

"I don't know what people mean by 'moderates'; these are people ready to do anything — they have their own vision — but I guess the word will do as well as any," Mr. Nimrodi said, adding: "What they are, is pro-Western."

In early 1983, Mr. Ghorbanifar told the Saudis that these Iranian factions felt that they urgently needed direct contacts with the United States for help in what he called a power struggle with leftist, pro-Soviet factions.

At about the same time, Shimon Peres, then prime minister of Israel, was visited by Michael Ledeen, a consultant working for the U.S. National Security Council. Could Israel, he reportedly asked, help the United States cope more effectively with Iran?

Mr. Nimrodi said that Mr. Ledeen specifically wanted help in freeing William Buckley, the CIA station chief in Beirut who was taken hostage in March that year. Mr. Ledeen says that "the subject of hostages did not come up," but he acknowledges that his session with Mr. Peres led to U.S.-Iranian meetings brokered by Mr. Nimrodi and Mr. Khashoggi.

According to Mr. Nimrodi, Mr. Peres told Mr. Nimrodi, his partner, Mr. Schwimmer, and David Kimche, a former deputy head of Mossad, Israel's intelligence service, and former director-general of the Israeli Foreign Ministry, to "handle this for Israel's interests and pick up any money to be made."

Mr. Peres has disputed that Mr. Nimrodi and his friends were "assigned" a mission, and he subsequently put his own side in charge of liaison with the United States on Iran. But Mr. Nimrodi maintains that "people like Mr. Schwimmer and Mr. Kimche, they do not just happen to get involved in things except where Israel's interest is involved."

The Israeli group then met with Iranian emissaries, who were accompanied by Mr. Ghorbanifar and Mr. Khashoggi. Mr. Nimrodi, reading from what he said were minutes of their discussions, quoted the Iranians as saying: "We know that leftists are waiting to emerge" when Ayatollah Ruhollah Khomeini, Iran's leader, dies. "Help us unite — we will take dramatic steps to show you we are serious," he quoted the Iranians as saying.

During these initial discussions, the Iranians mistook the Israelis for U.S. officials. Mr. Nimrodi said, Mr. Ledeen took part in subsequent talks, which led to the first arms delivery in September 1983, involving TOW anti-tank missiles from Israeli stocks, and the release of one U.S. hostage.

Mr. Nimrodi denies making a profit on the transaction.

Very quickly, Mr. Nimrodi claimed, U.S. officials became overly eager on the hostage issue.

"The stupidity. It makes me crazy to think what they try to do, when they don't know these people, how they think," he said. Pointing to the desk in his living room near Hyde Park in London, he told of Robert C. McFarlane, the former U.S. national security adviser, who "sat there, first lecturing the Iranian emissaries like a Boy Scout, then demanding they give all the hostages back at once, and then pleading."

"He kept saying, 'Give me the hostages, and everything is possible — aid, missions, whatever you want,'" Mr. Nimrodi quoted Mr. McFarlane as saying. "The Iranians kept saying, 'Give us weapons, then you get a hostage, let us go a step at a time.'"

After that meeting, in December 1983, and after two weapons deliveries, Mr. Nimrodi said, he and his colleagues were supplanted as handlers of the contacts by U.S. officials, including Lieutenant Colonel Oliver L. North, whom Mr. Nimrodi characterizes as lacking subtlety.

Mr. Nimrodi's own philosophy of dealing with Iranians is anchored in a parable about the Iranian mentality. An Iranian is drowning, and a passer-by says: "Give me your hand," but the Iranian in the water prefers to die rather than "give" his hand. Mr. Nimrodi continued: "An Iranian comes by and says: 'Take my hand, take it' — and he will convince the drowning Iranian to accept the offer and save his own life."

Ignorance of how to deal with Iranian susceptibilities, Mr. Nimrodi said, frayed the guarded trust which the arms dealers managed to maintain until December 1983.

He was involved in the second big arms shipment to Iran on Nov. 24, 1985, involving Hawk anti-aircraft missiles. The transaction went wrong when the Iranians unpacked the missiles and found that they were an old model, not the improved Hawks they had been promised, he said.

The Iranians were outraged. In Geneva, Ayatollah Khomeini, a deputy prime minister working with Mr. Nimrodi, collapsed with a stroke at the news. Mr. Nimrodi managed to calm the Iranians by immediately refunding their down payment.

He speculated that the old Hawks were substituted for the newer version Hawks by Israeli military officers. "I think it was just thinking small, thinking they would ship out old ones and keep the new ones coming from the States. They were thinking small, it's so stupid."

Similar short-term political reflexes in the United States, he said, exposed the Iranian connection prematurely. "When the second hostage," the Reverend Lawrence M. Jenco, "was released, the Syrian government claimed that it had helped, probably because it was trying to fight its reputation as a terrorist state," he said.

President Ronald Reagan refused to allow Syria any credit, and Mr. Nimrodi speculated that Syrian officials, in reprisal, tipped off a Beirut magazine about the U.S.-Iran dealing. "So much stupidity," he said, implying that U.S. officials' eagerness to take public credit for the hostage releases had compromised the strategic objective of strengthening anti-Soviet Iranians.

## On Warsaw's Food Lines, Boorishness in Long Supply

By Thomas Netter

International Herald Tribune

WARSAW — Five years ago, just before the declaration of martial law mortally wounded the Solidarity union and stifled the brief flash of freedom of expression it conferred, a friend asked why journalists always wrote sterile stories about politics, strikes and economics but seldom paid attention to why mothers found it difficult or impossible to get milk for their children.

That question has haunted me ever since. It came to mind again during a recent visit to Poland in a story told by another friend who was trying to get milk for her children after the radiation leak at the Soviet nuclear plant at Chernobyl.

The woman, who has two children, told how she waited in line to get packages of powdered milk after fresh milk was banned. When she finally reached the counter, the clerk refused to give her the milk because the necessary chit on her ration card had already been clipped. Her protests that it was removed by mistake were to no avail. Unable to purchase the powdered milk, and bitterly frustrated, she first begged the shop assistant, then burst into tears.

In the West, one hears of "defiant" Poles, united under a creed of opposition to the government and that Poles are "freer" than their neighbors in Eastern Europe. Within Poland, it is another story. Yes, the dissidents continue their planning and clandestine meetings, and the underground publishers produce leaflets, newspapers and books. But everyday life is still hard.

People who know the Poles intimately know them to be, by and large, a friendly, hospitable people. But that clerk's indifference is a sad and telling example of what one Polish friend calls a "socialist boorishness" that has set in, repeating itself more and more in public life.

Deprived of a voice in the running of society or their daily lives, many Poles have pushed one's way through a system more suited to the 19th century. It is worsened by bitter memories of the "war," as the Poles call the state of emergency imposed on Dec. 13, 1981, and the consistent re-entrenchment of state authority in all organizations since then.

Talk abouts of another period of demands for reform, as prices rise and the workers' ability to buy declines. One evening in central Warsaw, I joined a crowd of people looking in vain for a streetcar. As one streetcar after the other passed, either off-duty or the wrong number, the crowd moved, from one stop to another, growing in size with each move, numbingly louder with each passing vehicle.

It was an absurd scene that would seem facile and overly theatrical were it not happening on the cold, frozen slush of Warsaw. Somehow, that shuffling crowd of unhappy people, mumbling to themselves and desperately seeking a way home, was all too real.

purchase for me, the pressure in the line behind me began to build. An older woman began to lean on me, pushing without reason to get further ahead in the line, tightening up the gaps between us. There was a look on her face of impatience, irritation, almost as if I offended her by being first.

NEARBY, line after line of customers shuffled to buy basic goods: cheese, bread, meat, milk, eggs, vodka, vegetables. A shop assistant at the head of each line, dressed in a white smock, her eyes dulled by the monotony of her task, demanded in a shrill voice, "Who's next," then automatically handed over the goods.

On to the next line, the next stop assistant. This is the reality beyond the memorials,

Deprived of a voice in running society or their daily lives, many Poles have moved inward, behind the doors of their apartments, behind a wall of frustration, anger and despair.

the dramatic public events, the legal or illegal gatherings to commemorate the innumerable anniversaries of victories and defeats, triumphs and tragedies that define Poland's history.

If the shops are selling goods, why are there the lines, the interminable waits, the indifferent, often rude clerks? Aren't things supposed to be better after five years of "normalization"?

In basic terms, they are, but in human terms they are not. Life in Poland today is a time-consuming, debilitating exercise in pushing one's way through a system more suited to the 19th century. It is worsened by bitter memories of the "war," as the Poles call the state of emergency imposed on Dec. 13, 1981, and the consistent re-entrenchment of state authority in all organizations since then.

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## General News

## Soviet Livestock Expert Gets Exit Visa for U.S.

Industry Secrets Cited in 12-Year Delay

By Marvyn Howe

New York Times Service

NEW YORK — Lev Blitshtein, the man who was said to know too much about meat storage in the Soviet Union, has learned that he can leave to join his family in the United States.

"Finally we have lived until the moment I am being let go," Mr. Blitshtein said Friday in a call from Moscow to his son, Boris, in Manhattan, New Jersey.

The 56-year-old former employee of the Ministry of the Meat and Dairy Industry will soon see his three grandchildren for the first time and be reunited with his wife, who divorced him in 1975 to be eligible to emigrate.

During the last 12 years, Mr. Blitshtein, a Jew, has been refused permission to leave on the ground that he knew secrets about the Soviet meat industry.

Emigration from the Soviet Union in general is restricted, but Jews have been permitted to leave in large numbers over the years on

grounds of family reunification. Some requests have been rejected in cases where the authorities contend that the applicant was privy to secret information in government employment.

The visa office informed Lev Blitshtein that his request had been approved just a few days before he was due to start a hunger strike. He told his son that he and his 80-year-old mother planned to leave in a few weeks.

An authority on livestock breeding and meat processing, Mr. Blitshtein first applied with his family to emigrate in August 1974, but his application was rejected.

After Mr. Blitshtein protested the decision in letters to Soviet officials, he lost his job, his telephone was disconnected and his apartment was bugged, his son said.

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Alexei Semenyov, left, reunited with his stepfather, Andrei D. Sakharov, in Moscow.

grate was discharged Saturday after an appeal from Andrei D. Sakharov, the dissident physicist, according to the navigator's daughter, The New York Times reported from Moscow.

Ladimilla Yevseyevna said her father, Serafim, 54, had been forcibly hospitalized since July in a psychiatric clinic outside Moscow, where she said he received more than 110 injections of tranquilizers.

Mr. Semenyov, who brought a home computer for his stepfather, was accompanying a group of U.S.

college administrators on a three-day human rights visit to Moscow.

Mr. Sakharov, the 1975 Nobel Peace Prize laureate, embraced his stepson at the airport after more than an hour's wait while the visitors checked through customs.

Mrs. Bonner did not go to the airport because "she doesn't feel very well," Mr. Sakharov said. "Her health is not good."

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## Tambo Defends Use of Violence

By Neil A. Lewis

New York Times Service

NEW YORK — The head of the African National Congress, Oliver Tambo, has offered a stark defense of the use of violence by his followers, saying the occasional killing of South African whites gives hope to blacks and will make white people "used to bleeding."

Mr. Tambo complained bitterly in an interview about the criticism by some, including the U.S. State Department, of his group's violent tactics and its long association with the South African Communist Party.

The African National Congress is the principal organization fighting to topple the Pretoria government.

Although he said his organization did not officially approve of the killing of civilians, he described some of the consequences of such deaths as beneficial.

He said that blacks had been killed in such numbers that they had come to expect it. But when they learn that a white has died in the violence that has become a common feature of the South African political situation, he said, "that kind of thing comes like a drop of rain after a long drought."

Whites, in turn, "are used to blacks being killed," he said, but "they are not used to bleeding themselves."

Mr. Tambo said Thursday in the interview that white people in South Africa and many of his critics were astonishingly indifferent to the large number of black children and youths who he said had been killed by Pretoria's security forces.

"When it's a white child," he added, "it's something else."

He said the death of white children aroused a great response among whites who otherwise would remain in their "own world."

More than 2,000 people, almost all of them nonwhite, have been killed in outbreaks of violence in South Africa over the last two years. A few white children have been killed, and their deaths have received great attention in the white South African press.

Mr. Tambo also said he understood why militant youths in South Africa's black townships have chosen to kill suspected informers by a method known as "necklacing."

The victim's hands are tied and a tire soaked with gasoline is placed around the neck and ignited.

"We don't like it, but we understand it," he said. "When a person experiences brutality they want to retaliate. They feel they must kill in

a special way to give satisfaction to their bitterness."

His remarks came at a time when the African National Congress is coming under intense scrutiny in Washington and European capitals. The outlawed congress has been making an aggressive bid for respectability both among those governments and South African whites.

Mr. Tambo spoke in the midst of a hectic visit to the United States of which the highlight is to be a meeting Wednesday in Washington with Secretary of State George P. Shultz.

The State Department has stressed that the meeting does not represent approval of the group, but rather a recognition that it is an important player in events in South Africa. The visit with Mr. Shultz will be the highest-level meeting between an ANC representative and the U.S. government.

On previous visits to the United States, Mr. Tambo has generally been inconspicuous. But on this trip he has the schedule of one who is suddenly an object of political curiosity.

In the interview in his hotel suite in Manhattan, he also disputed the conclusions of a recent U.S. State Department report that said the congress was deeply obligated to Moscow and the South African Communist Party for providing weapons to wage its guerrilla campaign.

"Because we are getting arms from them for free does not mean we are mortgaging ourselves," he said. "I dominate the ANC. Yes, I dominate. I am not dominated and controlled."

He said the ANC was not mortgaging itself, but rather was using the arms to wage its guerrilla campaign.

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## Ex-Argentine General Arrested in California

By Robert Lindsey

New York Times Service

SAN FRANCISCO — A former Argentine general accused of taking part in the torture and killing of thousands of Argentine leftists in the 1970s has been arrested after a search throughout the United States, the U.S. Marshals Service said.

Guillermo Suarez-Mason, a former Argentine army chief of staff, had been living for an unknown length of time in Foster City, California, about 15 miles (25 kilometers) south of San Francisco, officials said Saturday.

Inspector Larry Homenick, who supervises the Marshals Service's international operations, said General Suarez-Mason had been the object of a search in the United States since November 1985.

For at least part of that time, he said, the former general lived in New York City, where he was last seen during the Christmas holidays. Mr. Homenick said he also was believed to have been in Miami.

Although the inspector declined

to say how investigators had found General Suarez-Mason, he said that members of the former general's family had left an unspecified trail of clues.

General Suarez-Mason, who was arrested on his 63rd birthday, was a member of the rightist military junta that ruled Argentina during the late 1970s and early 1980s.

The former general, who is believed to have fled his homeland and come to the United States in 1985, has been accused by a number of former prisoners, including the journalist Jacobo Timerman, of being a major architect of the regime's program of imprisoning and torturing leftists.

When the Argentine armed forces seized power in 1976, the military government launched an offensive against the left in which 6,000 to 15,000 people are estimated to have "disappeared."

In 1983, after Argentina's loss of the Falkland Islands war and amid pressure for an accounting of those who had disappeared, the military allowed elections and handed over power to a civilian government that

was committed to reducing the power of the military and holding an inquiry into human-rights abuses.

Mr. Homenick said Argentina has indicated that it would seek to have the former general extradited based on his indictment in November 1984 in Buenos Aires on one count of unlawful detention and torture and his indictment in July 1986 on charges of unlawful detention, theft and torture resulting in death.

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Guillermo Suarez-Mason

## U.S. Imposes Mini-Fine For Arizona Speeding

By Reginald Stuart

New York Times Service

WASHINGTON — The Department of Transportation has imposed



## Station Chief Suspended By CIA for Contra Link

Compiled by Our Staff From Dispatches

WASHINGTON — The Central Intelligence Agency has suspended its station chief in Costa Rica after learning that he failed to fully disclose his participation in a secret network that flew military supplies to Nicaraguan rebels, U.S. intelligence sources said.

The suspension of the station chief, who used the pseudonym Tomás Castillo, followed his recall earlier this month. It also followed two internal CIA investigations that cleared him of illegal actions in connection with U.S. shipments of military aid to the rebels, known as contras, in violation of a congressional ban on such aid.

The sources, who requested anonymity, said Saturday that Mr. Castillo was suspended under the past few days after CIA officials were notified that documents belonging to Lieutenant Colonel Oliver L. North, the former National Security Council aide, showed that Mr. Castillo was more deeply involved in the contra supply network than he had admitted. The CIA apparently was notified by the Federal Bureau of Investigation.

The Reagan administration, meanwhile, signaled its resolve to aid the contras with Frank C. Carlucci, the new national security adviser, endorsing the policy at a conference on Central America.

In his first public statements since he was appointed early this month, Mr. Carlucci said that he had asked his staff for a review of the field situation, the strength of the Nicaraguan government forces and the prognosis for their conflict with the contras.

Mr. Carlucci acknowledged that allegations that proceeds from the sale of weapons to Iran had gone to the contras had probably made the continuation of U.S. aid to the rebels "more difficult." But he said U.S. policy had not changed.

"I strongly support the democratic forces in Central America," he said, adding that the issue was "close to the heart" of President Ronald Reagan.

Elliot Abrams, assistant secretary of state for inter-American affairs, said at the forum that the United States "is opposed to false negotiations, and that's the problem we've had with Contadora."

The Contadora peace process, named for the island where Mexico, Panama, Venezuela and Colombia began their efforts in 1983, "has tended to be led from the left," Mr. Abrams said.

Later, he said he was referring to Mexico and to Peru, one of the four so-called "support nations" that include Argentina, Brazil and Uruguay. (AP, WP)

## Court Rejects Labor Law In France

International Herald Tribune

PARIS — The Constitutional Council, the highest legislative court in France, has rejected an attempt by the government of Prime Minister Jacques Chirac to adopt labor regulations without the usual parliamentary debate.

The council's decision Friday came after President François Mitterrand, a Socialist, refused to allow the neo-Gaullist government of Mr. Chirac to pass the law by administrative decree.

The law provides for more flexible working hours in French offices and factories. It allows women to work at night in positions currently forbidden to them and varies the length of the working week to meet seasonal needs.

After Mr. Mitterrand's refusal, the law was rewritten as an amendment to a series of social measures and put before Parliament in December.

The measures were voted through in a late-night session, but Socialist members in the National Assembly protested the procedure to the Constitutional Council, a nine-member body that rules on the constitutionality of laws. Its president, Robert Badinter, was justice minister in the Socialist government that was in power from May 1981 until last March.

The Socialists opposed the working-hours amendment as an encroachment on social progress achieved under their administration. The conservative majority in Parliament has defended the measure as necessary to give French companies more flexibility and make them more competitive. It has said that the law will create new jobs and preserve endangered ones.

The measure can still be adopted, but only by a full parliamentary session. Parliament is not scheduled to meet until its spring session opens on April 2.

### Police and Mourners

Clash at Belfast Funeral

The Associated Press

BELFAST — Mourners clashed with the police Saturday before the funeral of two men killed last week in what the police say was part of a power struggle among guerrillas of the outlawed Irish National Liberation Army.

They said a policeman suffered head injuries and was hospitalized and that two men were arrested for disorderly conduct. The funeral rites were being held for John O'Reilly, 26, and Thomas Power, 34, who were shot to death while meeting in a hotel on Tuesday.



Willy Brandt, right, chairman of the Social Democrats, and Johannes Rau acknowledge applause at a Saturday rally.

## MARCH: 20,000 Protest Racism

(Continued from Page 1)

About 4,000 people were left behind in Atlanta because there were not enough buses to transport them to Forsyth County.

About a third of the marchers were white, and more than half appeared to be under 30 years old. Groups of supporters came from as far away as New York and California, and several marchers were from foreign nations.

The march was headed by veterans of the civil rights movement, including Coretta Scott King, Mr. King's widow; Atlanta's mayor, Andrew Young; political activist Dick Gregory; and Benjamin L. Hooks, executive director of the National Association for the Advancement of Colored People.

Near the front of the parade was Gary Hart, a 1988 Democratic presidential candidate. William Bradford Huie, the head of the civil rights division of the Justice Department, marched with federal law enforcement officials to ensure, he said, that "what started last week will be repeated without violence."

Governor Harris, who mobilized the state's police effort, maintained contact from Atlanta by direct telephone line, a spokesman said.

Among the marchers were several Forsyth County residents. "We're not all idiots up here," said Sammy Wallace, 34, an electronics worker. "If this is what it takes to make America free, then that's what it's going to be. This racist stuff has gone on long enough."

One of the counter-demonstrators, John Fowler, a 30-year-old worker from Canton in adjacent Cherokee County, told why he and his friends had come. "We've got the best county up here, we've got the best jobs," he said, referring to Lake Lanier. "We'd like to keep it clear of black trash."

Virtually no blacks have lived in Forsyth County since 1912. That year, a white rape victim died after identifying three black men as her attackers. One of the accused men was taken from jail and killed by a mob. The other two were hanged after a quick trial, and the hundreds of black residents were driven out of the county.

Martin Luther King 3d, the eldest son of the late civil rights leader and a county commissioner in Fulton County, which includes Atlanta, said that much of the anti-black feeling that remains among Forsyth County whites is due to diminishing job opportunities in this rural area of Georgia.

"We're 13 years away from the year 2000, and certainly people should be more advanced in their thinking than that," he said. "But these people have been taught ever since they were children that blacks are their biggest problem."

### Cameroon Gets Road Loan

The Associated Press

ABIDJAN, Ivory Coast — The World Bank has granted a \$6.5 million road construction loan to Cameroon, Cameroon radio reported.

## BONN: Coalition Returned

(Continued from Page 1)

crats' performance to a low voter turnout — about 85 percent compared to 89.1 percent in 1983 — and to overconfidence arising from widespread predictions that the coalition would be handily re-elected.

Analysis of returns from rural areas showed that the Christian Democrats were also deserted in massive numbers by farmers, who apparently were angered by Bonn's approval of European Community policies that lowered the prices of their crops and livestock. Sudden freezing weather in parts of the country also deterred others from voting.

"We have not reached our goal," said Mr. Kohl, who added that strife among the coalition partners had alienated some voters. "It is sad; this is a painful drop. But what is decisive is that we are going to continue with this coalition of the middle."

Willy Brandt, the Social Democrats' veteran chairman, praised Mr. Rau for drawing more votes than opinion polls had predicted and said the outcome would certainly "not be a liability" for Mr. Rau to succeed him as the Social Democrats' next leader.

"What is important in this election," commented Mr. Brandt, "is that the right got less votes than had been expected."

The Greens were jubilant at their strong showing. The anti-establishment party gave women candidates two-thirds of the positions on its electoral lists and in conservative Bavaria — where Peter Kelly, an American-educated founder of the party, was a candidate — it won a striking 7 percent of the vote.

Appearing on national television with other party leaders, Lukas Beckmann, a Greens spokesman, charged that Mr. Kohl and his party had been repudiated for appealing to "the stupidity of the voters." Mr. Beckmann urged the Social Democrats to move to the left in the coming years to forge a new majority in 1991.

A lides winter election campaign brought forward few compelling issues, and the chancellor's party sought to exploit a general mood of well-being with the slogan, "Carry on Germany." Amid signs that a strong economic upswing might be tapering off, many voters appeared to have turned to the Free Democrats, who favor a sharp tax cut to spur growth.

Both Mr. Rau and his Social Democrats were handicapped by their inability to put forward a convincing alternative to the Kohl coalition. After severe drubbings of the Social Democrats in two state elections last autumn, Mr. Rau's claim to be aiming for an absolute majority of Bundestag seats appeared unrealistic.

## U.S. Calls for Release Of New Beirut Hostages

By David Hoffman

Washington Post Service

WASHINGTON — President Ronald Reagan has expressed "deep concern" for the three Americans kidnapped Saturday in Beirut, and a White House spokesman called for their immediate release. "We hold those who took the hostages responsible for their safety," said the spokesman, Roman Popaduk. "And we call for the immediate release of the hostages."

Three American professors and a fourth professor described as an Indian citizen who is also a U.S. resident were abducted Saturday.

The kidnappings threaten to further aggravate the controversy over the U.S. sales of arms to Iran last year. The Reagan administration has denied that the clandestine sales were made in an effort to win freedom for Americans held captive in Lebanon.

The kidnappings Saturday bring to eight the number of Americans held there.

Senator Bob Dole, Republican of Kansas, said Saturday that the danger to Americans in Beirut was so severe that U.S. diplomatic missions there should be closed immediately and all Americans ordered to leave Lebanon.

Americans in Lebanon "have become sitting ducks for any fanatic political faction roaming the streets," said Mr. Dole, who is Senate minority leader.

U.S. officials said they assumed the kidnappings were related to U.S. efforts to get a Lebanese terrorist suspect extradited from West Germany. The suspect, Mohammed Ali Hamadei, 22, was arrested Jan. 13 in Frankfurt.

The United States wants to try Mr. Hamadei on charges of air piracy and murder stemming from a takeover in 1985 of a Beirut-bound TWA airliner in which a U.S. Navy diver was murdered.

At least two West Germans have been kidnapped in Beirut since Mr. Hamadei's arrest, apparently in retaliation. The Bonn government has been unable to confirm reports that two more West Germans have also been seized.

## KIDNAP: 4 Seized in Beirut

(Continued from Page 1)

In 1973, its classes are taught in English and most of its 2,000 students are Moslems.

Those kidnapped Saturday were the only American men left on the university's staff, said Fawzi Hajjar, an administrator for the college's New York office. Four or five American women remain on the staff, he said.

### Waite Said to Be Fine

Terry Waite, the special envoy of the archbishop of Canterbury, is in good health and still negotiating for the release of Western hostages in Beirut, Reuters reported a spokesman for the archbishop as saying Sunday in London.

Mr. Waite, who has negotiated the release of foreigners held in Iran, Libya and Lebanon, arrived in Beirut on Jan. 12 on his latest mission. He was to return to London on Jan. 21, but suddenly changed his plans.

## REGAN: Shultz Testimony

(Continued from Page 1)

mit meeting, said the leaders had reached agreement to "isolate those states that provide support for terrorism."

The leaders issued a statement vowing further "international cooperation" to fight terrorism.

After questioning Mr. Regan in Tokyo, Mr. Shultz received a response from Vice Admiral John M. Poindexter, who was then national security adviser, that there was only a "sliver of truth" to the information from Mr. Price in London, officials said Friday.

Mr. Poindexter provided this answer in early May, just days before a meeting in London of U.S., Israeli and Iranian officials that led to President Reagan's decision on May 15 to authorize a secret mission to Tehran by a former national security adviser, Robert C. McFarlane.

Mr. McFarlane made the trip later that month, carrying a shipment of spare parts for anti-aircraft missiles in a futile effort to free American hostages held by Iranian-backed extremists in Lebanon.

At the time Mr. Poindexter responded to Mr. Shultz, Mr. McFarlane had already been enlisted to make the secret mission.

After Mr. Poindexter's first reply that there was only a "sliver of truth" to the report of arms sales to Iran, he sent a second message to Mr. Shultz that the operation had "stood down," or halted completely, officials said. Later, Mr. Shultz was given the same information by the director of the Central Intelligence Agency, William J. Casey.

Since the Iran arms sales became public, the White House chief of staff has said he supported the policy of seeking an opening to moderate factions in Iran, but he has also tried to distance himself from it by saying Admiral Poindexter was in charge of the details.

However, congressional investigators have learned that Mr. Regan participated in key meetings at which the Iran arms policy was discussed, including a Jan. 6, 1986, session at which Mr. Shultz was not present.

### Italian Fashion

## Ferré, Capucci Strengthen Rome Couture

International Herald Tribune

ROME — The Rome spring-summer couture collections, shown last week, were much stronger than usual this season, thanks to Gianfranco Ferré's second collection and to the priest Roberto Capucci, whose collection was a rare treat. Valentino still reigned as superior, but for once he did not have to bear the whole burden.

Friday night, President Francesco Cossiga handed out awards and held a party at the Quirinal Palace for about 600 fashion people. Among the honorees were Giorgio Armani,



Valentino evening gown.

streamlined ready-to-wear, were exquisitely made, which was not the case in his first collection six months ago.

The silhouette was a clear-cut mushroom, with slim skirt topped by a rounded top. The influence, with lots of dramatic capes, came from the 1950s and Balenciaga. One of the softer touches was a profusion of silk flowers, which Ferré said he found at an old company in Genoa that used to make flowers for Chanel. These were tucked everywhere, including on the side of a shoe.

A man with a strong, graphic vision, Ferré played up black and white and navy and white with effective results. Some of his convoluted white tops looked like whipped cream out of a can. The touches of color were equally sensitive, such as a bolero made of multicolored cloth chrysanthemums.

The collection not to miss last week was Capucci's, which was a trip into the fashion unknown. This shy, reserved designer, who produces a collection every three or four years, reaped wild applause in a standing ovation.

The shapes dwarfed everyone else's. These clothes were beyond the outé. Capucci, an artist who keeps aloof through royalties from his perfumes, consistently refuses to enter the megabuck fashion game. The result is an intensely personal adventure backed by an impressive technique.

The collection started with bony black dresses followed by immense chiffon ponchos edged with waves of giant organza ruffles. Miles of knife pleats, shaped by a strong, unerring hand, twisted, curled and coiled in every possible direction. Some swirled around and around skinny bodies, giving them stature and presence. Stiff satin shapes like Alexander Calder mobiles were draped away from short slim dresses. Some pointed dresses evoked minarets. Others were decorated with brilliantly colored giant fans or butterflies.

The majestic pinnacled dresses could have stepped out of a Velázquez painting, while Capucci's sumptuous palette had the sheen and richness of a Renaissance prayer book.

Oliver Tosetti, who inherited the André Lugli business, said he would no longer show a couture collection. The reason, he said, is that his multimillion-dollar business is solidly rooted in the United States, where his clientele is more than happy with his perfectly executed ready-to-wear.

often sporting girlish peticosts. Jackets were the bolero variety, and they, too, were ultramodern, with lace handkerchiefs drooping out of breast pockets. As usual for Valentino, hair lines were well above the knees and heels were high and spiky.

Together with one or two dresses like slim columns, Valentino offered the big, ruffled gowns of bygone garden parties. The prettiest were simple, long-waisted with a canopied top, while the skirt exploded in several tiers of organza. The skirts were further dolled up with lace or embroidery tucked under each ruffle. One black dress was a solid sea of tiny lace ruffles.

Valentino loved little polka dots, even for evening, where they toned down the excessiveness of all those ruffles. The dots also looked better than the occasional flower prints.

There is hope for Ferré. His second couture collection was miles ahead of his first, with a definite breakthrough in evening wear. The clothes, softer and more feminine than Ferré's

### DOONESBURY



### To our Paris area readers:

The International Herald Tribune invites you and your family to a Paris benefit preview showing of



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Tuesday, January 27, 1987, at 6:00 p.m.

Gaumont Ambassade Theater

50 avenue des Champs-Élysées, Paris 8,

followed by a complimentary meal at Burger King.

Proceeds from the evening will help fund the Paris Flame of Liberty — an exact replica of the Flame of the Statue of Liberty which will be given, as a permanent monument, to the people of France.

This event provides an opportunity for families to participate in this expression of French-American friendship, just as thousands of French children and their parents contributed to the original Statue of Liberty a century ago.

The suggested tax-deductible contribution, including the film and meal, is: Adults, 130 francs — Children, 85 francs. Names of all donors, children and adults, will be printed in the IHT.

The 90-minute film, a warmhearted, animated recounting of the American immigrant experience, is in English with French subtitles. Critics have described it as "stunning," "delightful" and "uplifting."

The evening is made possible through the generosity of Universal Pictures, United International Pictures, Burger King and Société Gaumont.

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# TRAVEL IN

and

—Joel Stratte-McClure

Also worth seeing, on Sri Ayurthaya Road, is the

The ancient city is an open-air museum outside Bangkok.

Left: Hand-crafted items, such as these colorful umbrellas, are popular Bangkok souvenirs. Above: The Grand Palace compound.



## Life in a Buddhist Monastery: Instructive Rite of Passage

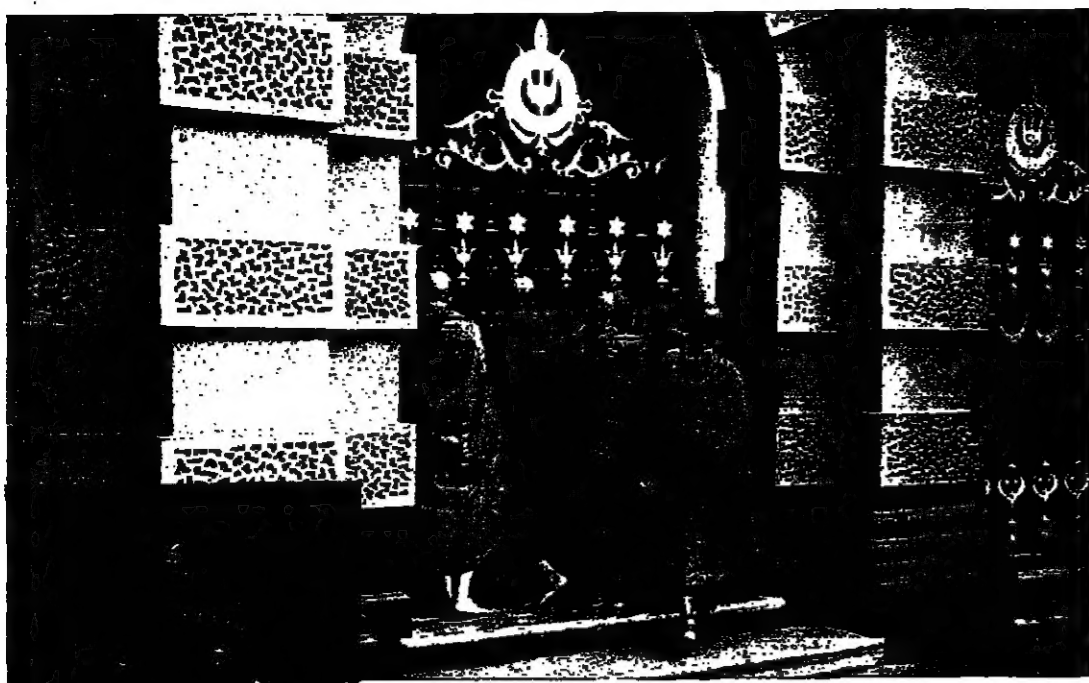
HANS Tuggener, the 50-year-old, Zurich-born general manager of Diethelm Travel, became Thana Thanapawar last March after he was granted Thai nationality. But the most memorable aspect of his conversion was not the assumption of a second name. It was the two weeks he spent last August in a remote Buddhist monastery called Dao Ruang (Temple of the Stars) in the eastern part of the country.

Most young Thai males, whatever their social status, spend at least three months as monks. The strict, traditional rite of passage, enables them to grow spiritually through austerity, strict discipline and the laborious study of Buddha's teachings. Thai custom dictates that if a son becomes a monk for any length of time he will save his parents' souls.

"Without this education the rest of my life would be incomplete," said Chiradej Saesung, a 22-year-old Thai, during his monkhood in the War Benchamporpit a few years ago. "No Thai man can be fulfilled without being familiar with the Buddhist scriptures, the 227 monastic rules and the 500 stories describing the Buddha's existence prior to Nirvana."

Thai men also return to the temple periodically during their professional lives. Tuggener, who has lived in Thailand since 1970, had a keen personal desire to experience monkhood when he became a Thai citizen.

"I have always been very intrigued by the calm approach to life in Thailand which is essentially due



Tuggener's interest in Buddhism came naturally. Indeed, almost everything in Thailand, from the spirit houses in front of most buildings to the oracle he consulted to select his Thai name, is religiously oriented.

He chose to enter the monastery Dao Ruang, where he had done some social work, because the head monk is a well-known teacher of Buddhism and meditation. Prior to entering the temple, Tuggener spent three months studying Buddhist teachings, songs and ceremonies in Pali (the liturgical language of Buddhism) with an employee who had been a monk for nine years. He entered the temple, which has only nine monks, when his Martinique wife and their children were vacationing in Switzerland.

The initiation ceremony was typical. On the first day his hair was shaved, he was dressed in white and assigned to provide food and traditional entertainment for a village feast — which neither he nor the other monks could attend. The next day, after replying to a number of questions posed by the head monk, he was given the traditional saffron robe.

"One part of the ceremony involved putting the robe on in front of the entire community who laughed hilariously when they saw I was still wearing underpants," Tuggener recalled, noting that monks wear nothing under their robes. "Another time I am rather humiliated so we could begin morning prayers and immediately sensed that the

other monks realized I had briefly resumed my rushed, western habits."

Thanapawar's stint in the monastery was like that of any other Thai. He abstained from alcohol and sex, slept on a hard bed, did not touch money, rose at 4 a.m. and, after morning prayers, went into the street with a begging bowl for the daily food collection. Following the second and last meal of the day at 11 a.m., Thanapawar spent the afternoon studying prayers for the following morning. During the evening, the monks meditated until they went to bed at 10 p.m.

"The food collection is the most beautiful part of the experience because the village people come out in masses to practice religion and earn merit by offering food to the monks," Thanapawar continued.

When he left the monastery, Tuggener was derelict. Returning to Switzerland for a short vacation, he explained that the bald head (which most monks have shaved with every full moon) was due to a skin infection. His Thai employees, however, were extremely proud of the effort.

"We realized he had become one of us," said Sunacham Vibulpakdi, one of the guides at Tuggener's travel agency.

In the future, Tuggener hopes to spend a three-month stretch in the temple.

"Being ordained is festive and being a monk is instructive," he explained. "You gain a certain wisdom even during a brief stay."

—J.S.M.



The Sunday market in Bangkok attracts locals and tourists alike.

## World Diners Develop an Appetite for Thai Cuisine

THAI restaurants are now cropping up in cities around the world. It was bound to happen — what's really surprising is that it took so long.

Though influenced by Chinese, Indian, Javanese and Portuguese cuisine, Thai food is quite distinctive.

Thai soups, often a meal in themselves, are eaten whenever they are ready, rather than as an introduction to the main dishes. Try *tom yam* soup, a soup of shrimp, lemongrass, red chilies, parsley and mushrooms; hot and sour soup with prawns; or coconut soup with chicken.

Besides soups, the variety of main dishes is tremendous. There's fried noodles with beef and broccoli, papaya salad, stuffed omelettes, fried pork with garlic, fried chicken with cashew nuts, fried beef in oyster sauce, fried fish in red sauce or a variety of curries.

Coriander is used copiously along with other spices, such as lemongrass, basil and cardamom. But it is the chilies that often prove most memorable. Foreigners often shrug nonchalantly when warned that Thai food is extremely hot and spicy, but may find out in a matter of seconds that they have lost the roof of their mouth. The sauces, such as fish sauce and shrimp paste, which are of a varying degree of spiciness, are also worth tasting.

Desserts, in contrast, are mild. Try mangoes with sticky rice, gold threads (sugar and egg yolks), coconut ice cream or banana in coconut milk.

While mangoes usually head the list of native Thai fruits, also delicious are mangosteens (dark purple with white flesh), papayas (often eaten with breakfast), rambutans (soft, white and juicy), as well as the usual bananas, pineapples and melons.

Then there are the notorious durians — pungent and controversial. Some people adore the fruit. Others, however, have been known to call them "prickly stink bombs" or "medieval torture devices with the flavor of onions and ice cream." A foreign adventurer in the last century wrote that eating durian was "akin to eating herring and bleu cheese over an open sewer."

This is not a wine-drinking society; diners usually order beer or whiskey. The two most popular beers are Kloster, which is similar to American beer, and Singha, which has maltier taste. There are plenty of imported whiskies available; the popular local brand, called Mekhong, is definitely an acquired taste.

Thais like to eat in the open air, and the temperature is usually perfect for this in the evenings. There are numerous garden restaurants — a series of roofed, open-sided *salas* with ceiling fans, often joined by walkways over canals filled with water lilies. Indoor restaurants, nearly always air-conditioned, tend to favor exotic fish in aquariums and miniature waterfalls as part of the decor. If there is live music it's likely to be a succession of female singers. All is informal — no jackets or ties. And many tourists are surprised by how inexpensive the bill can be at the end of the meal.

A favorite haunt of Bangkok locals is the Sala Rim Naam (on the riverbank opposite the Oriental Hotel). To get here, there's a free ferry boat ride from the hotel; on a thunderous night during the monsoon season, this can be a dramatic opening act. The enclosed portion of the restaurant has a fixed meal and classical Thai dancing; but I prefer to sit outside on the terrace close to the river. Other favorite restaurants are the Tapaeew (263/2 Asok-Dindaeng), which has a large garden and Siem Village (Sukhumvit 31), also open-air but smaller, with a resident Thai string band and tennis courts at the back. The Seafood Restaurant (388 Sukhumvit) is like a huge supermarket — diners choose their fish and vegetables, place them in a cart and pay at the checkout counter. Everything is then whisked away, with specific cooking instructions, to the kitchens, which are in full view. The finished meal is served at nearby tables. Also good are the Wanakarn (off Sukhumvit 23), a small, inexpensive, modest cafe, and Lemongrass (Sukhumvit 24), quiet and achieving a growing reputation among serious diners.

Street food is everywhere — at most major intersections an entrepreneur has parked a cooking cart and set up three or four tables on the sidewalk. For those who want to try street food in a more ordered setting, the Ambassador Hotel (Sukhumvit at Soi 11) has a food center with rows of booths for picking and choosing.

—D.W.

## Hotel Wars Escalate — Tourists Big Winners

THE "Great Bangkok Hotel War" — a marketing melee among some of the world's finest hotels — is benefiting the budgets of 1987 business travelers and tourists to the Thai capital.

It began some four years ago when over-optimistic projections on tourist arrivals ignited a building boom. Faced with a room glut and a skyline of rising competitors, managements resorted to employee-napping, travel agency arm-twisting and hefty price-cutting.

While Thailand expects to welcome a record of nearly three million visitors in 1987, the government's Tourism Authority of Thailand estimates a room occupancy rate in Bangkok of only 64 percent. Establishments from the mighty Oriental Hotel to guest houses for backpackers are offering tempting discounts.

In war and peace, Bangkok's hotels have been quietly Thai-style, garnering laurels. The city's top general managers — Germans and Americans dominate — ascribe this to a happy confluence of low labor costs, an innate Thai gift for service and, humbly, their own international management expertise.

The Oriental regularly appears on lists rating the world's best hotels. Opened 110 years ago as a seafarer's lodge along the broad Chao Phraya River, the hotel blends the languid atmosphere of Joseph Conrad and Somerset Maugham

with a full panoply of modern-day facilities, and then some.

Its ratio of 800 crisply unobtrusive staffers to 406 rooms makes hoteliers in the West throw fits of envy. And a sunset drink beneath the hotel's palms, while contemplating rice barges and frolicking canal children, is among the exquisite pleasures of a Thailand stay.

The Oriental, however, no longer monopolizes windows on the River of Kings and its kaleidoscopic life. In competition are two other five-star properties, the newly opened, 697-room Shangri-la and the towering Royal Orchid Sheraton.

The riverside hotels are favored by tourists as well as businessmen who don't have to account for every unproductive minute. Some of Bangkok's finest attractions, including its lacework of canals and the Grand Palace, are within a pleasant launch ride of this trio.

In easier reach of major businesses and embassies are the Regent Bangkok and the Dusit Thani, the latter located at the head of the city's "Wall Street," Silom Road. The Dusit, which has recently added more restaurants and upgraded many of its 525 rooms, maintains a loyal following among executives, diplomats and foreign correspondents.

The elegant and airy Regent, a 1983 arrival, is sometimes regarded as the Oriental's arch-rival. It has, in

fact, siphoned off some VIPs and attracted a growing number of business travelers.

At the crossroads of river and business-area hotels are the Siam Inter-Continental and the Hilton International. Although deep within the Bangkok bustle, both are set in lush tropical gardens and exude intimacy. The Siam, a landmark for two decades, boasts 26 acres of green grounds, studded with ponds, a swimming pool, tennis courts and a jogging track.

At the top of the price scale is the Oriental, where a standard double goes for the equivalent of U.S.\$158, which includes a government-mandated 11 percent — even lower in the off-season between June and September. Discounts are available for individual travelers, but the best policy at the Oriental and everywhere else is to work out the rate before entering the lobby.

The Dusit Thani charges an official \$127 per double, but will go down to the \$80 level. Newcomer Shangri-la offers a 30-percent reduction on the list price of \$107.

The Ambassador, especially popular with Japanese visitors, deserves special mention, both because a fine room there is available for as little as \$28 and because 15 restaurants and one hawker's food center must constitute some kind of gastronomic record.

—T.V. Mectre



Bangkok's Marble Temple, a popular tourist attraction.

## Bangkok (Continued from first page)

Suan Pakkard palace, the residence of a Thai princess. On display are statues, musical instruments, furniture and weapons, as well as pottery from the Ban Chiang archeological site. There are lovely lawns and ponds with waterlilies.

To wind down after a long day of sightseeing, late-afternoon tea and cakes are calming and delightful in the high-ceilinged lobby of the Regent Hotel. If the daylight has gone, cocktails in one of the hotel's bars

will help set the stage for the next adventure: the nightlife.

A few notes on transport. Bangkok is one of the few cities in southeast Asia that has meterless taxis. This means hard bargaining on the curb, and frequent discrepancies in fares: foreigners are usually charged more than Thais. Taxi drivers speak little English, complicating the bargaining process all the more. A trip within central Bangkok should cost between 30 and 60 baht.

An alternative, and slightly cheaper than taxis, are the *tuk-tuks* — three-wheeled motor scooters with a two-seat carriage.

—David Wigg

to propositions that will get them out of the club. The client usually must pay a bar fine (\$12) to liberate a particular person for the evening.

But Parpong Road is not just for men. During a recent tour of its establishments, many foreign couples were evident in the clubs (which have enticing names like Lipstick, Limestone, King's Castle, Pink Panther, Goldfinger and Spoon), watching performances ranging from seductive to comic. Another important aspect of nightlife is found at Thai massage parlors, which range from the traditional and legitimate to the avant garde and somewhat less-legitimate.

"Thais love massage more than anything in the world and there is a wide variety available," one Thai businessman explained.

Naturally Bangkok's ribald nightlife leads to the obligatory jokes:

A young Thai man approaches a foreign visitor and says, "Sir, can I find you a young girl?" No. "Sir, can I find you a young boy?" No. "Sir, can I find you a transvestite?" No. "Sir," the young man asks with great concern, "why did you come to Bangkok?"

—J.S.M.

## Nightlife in Bangkok: Thailing One On

DON'T be concerned that the varied forms of nightlife found throughout Thailand, long the capital of nocturnal excitement in Asia, have gone downhill, been altered for the worse, or even disappeared. They haven't.

There is still something for everyone — from classical dance performances at the National Theater to the somewhat less-classical establishments on Patpong Road, where nightclubs are thriving, drinks are inexpensive (U.S.\$1-3) by foreign standards and the entertainment is as varied as the people looking for it. Malaysians, of course, still cross the border to Hat Yai, and South Pataya still has its neon-lit streets. But Bangkok is where most foreigners go for action.

"Nightlife is an interesting facet of the vast array of tourist possibilities in Thailand," said Dhamnoon Prachubmoh, governor of the Tourism Authority of Thailand. "I would estimate that at least a quarter of all visitors take a look at what is going on."

Thai classical dancing, which is performed at some restaurants, originated as entertainment for the royal family. The graceful dances are based on episodes from the Ramayana, the great Indian epic story, and each precise movement is full of



meaning — stomping means anger, and pointing to the heart means love. The dancers, who perform to the accompaniment of exotic music, are adorned in lovely silk and brocade costumes.

Less-exotic music is found at Bangkok's more-contemporary night spots. Many of the clubs which began thriving during the Vietnam War two decades ago, when American soldiers flocked to Bangkok for "rest and recreation,"

have closed. But there are still hundreds in existence, and locals or hotel staffers will readily provide a visitor with personal lists of favorites.

The dancing style at the clubs is hardly classical. Seminude, or starkly nude, women participate in a variety of revues which can be seen for the price of a drink. One revue employs a real shower on the stage, another a large and very live cobra, while a third show resembles cheerleading

at a high school football game in rural North Dakota.

Unlike some clubs in European capitals, Bangkok's night spots are generally harmless. Although the bar bills mount if one starts buying drinks for the cast, the routs are not aggressive and the women are friendly, not forceful. Women employed in these establishments are obviously working for money but, unlike some of their counterparts worldwide, they are generally open

## Tips and Tidbits for Tourists

THAIS are extremely tolerant and it is difficult to offend them. But they are also a traditional people, and will appreciate it if you show deference to their social and religious practices.

Thais revere the royal family and do not appreciate any criticism of the monarchy.

Outward expressions of anger are considered crude and boorish. Thai men, in a simple expression of friendship, often hold hands in public. Thai couples, however, do not because public display of affection between sexes is frowned upon.

The average Thai surname is long and complex and people are usually called by their first name preceded by Khun. When greeting a Thai, men should say "Sawatdee, krab" and women "Sawatdee, ka."

It is the Thai belief that the head is the highest and most important part of the body. Do not touch someone's head, even as a friendly gesture to a child.

Always remove shoes before entering a Thai temple, home or mosque. Do not go into religious shrines shirtless, in shorts or wearing other unsuitable attire. Women cannot enter the monks' quarters nor give anything directly to a monk.

Each Buddha image is regarded as a sacred object. Do not climb on them or otherwise show disrespect.

It is considered rude to point your feet, or foot, at a person or object. Be careful while sitting cross-legged.

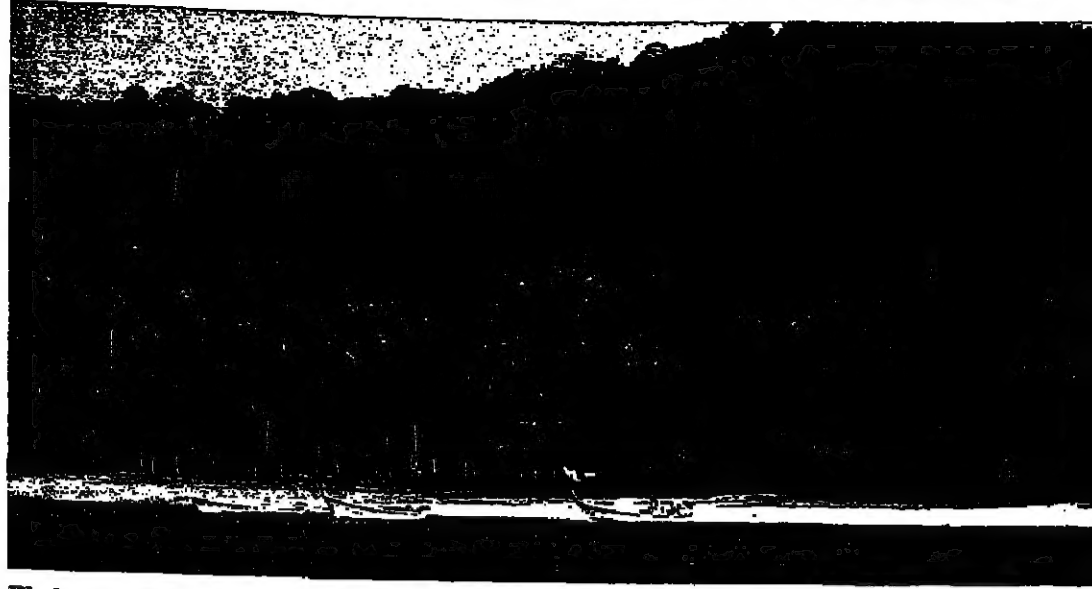
—J.S.M.



## ADVERTISING SECTION

## ADVERTISING SECTION

# Thailand's Beachfront Tourism Center: Major Resorts and Hidden Treasures



Phuket, undiscovered a decade ago, is now a prime spot for tourists seeking relaxed resorts.

THE 2,500-kilometer-long Thai coastline, which runs along both the Gulf of Thailand and the Indian Ocean, includes palm-fringed and rugged, rocky beaches, jungle-covered cliffs, deserted coves, unspoiled fishing villages, isolated islands and sophisticated resorts.

While the crowded beaches sometimes resemble those in the south of France, there are many secluded stretches of sand where coconut palms far outnumber people. Thai resorts range from the popular and fashionable to the remote and still-undiscovered. But almost everywhere there are facilities for waterskiing, parasailing, windsurfing, snorkeling and, of course, sunbathing.

The Thai Riviera, as the coast on the Gulf of Thailand is called, is a favorite for many Thais because of its proximity to Bangkok. They usually head to Bang Saen, 100 kilometers southeast of the capital, or the crescent bay of Pattaya, 150 kilometers away.

Booming Pattaya (the name means "the wind blowing from the southwest to the northeast at the beginning of the rainy season") is the Thai Riviera's jet-set resort. And it keeps maintaining the social pace: The Royal Cliff Beach Hotel added a royal touch last month when it opened the seven-story Royal Wing with 86 executive suites.

Pattaya's night life, which has earned it the name Pimping-on-the-Sea, continues to foster the reputation that began when it was "discovered" by American servicemen in the early 1960s. But before hitting the beaches and clubs, there are other attractions: a good daytime view of the area can be obtained from Phra Tamnak Hill, elephants can be seen demonstrating their working capabilities at the Pattaya Elephant Kraal, and it is worth boating to the nearby coral islands.

For a more relaxing spot on the Thai Riviera, drop in on Hua Hin, 200 kilometers from Bangkok on the western side of the Gulf. This resort, which has been popular since

the royal family constructed a summer residence there in the 1930s, has spacious beaches, a golf course and the usual water-oriented sports.

Hua Hin's fame is also associated with the Railway Hotel, which was used to portray Phnom Penh's hotel in the film "The Killing Fields." It is also known for the opportunity it offers for a solitary horse ride on the beach. Further south is Songkhla, an old Chinese city built on a peninsula with beaches, a lake and two off-shore islands called Car and Rat.

Phuket, undiscovered a decade ago, is now a "must" resort for tourists. Known as the pearl of Thailand (the name, however, means "hill" in Thai), Phuket is 550 miles south of Bangkok on the Andaman Sea and is most easily reached by plane — though a causeway connects it to the mainland.

It is an island of rubber plantations, muddled water buffalo plowing rice paddies, and spiced meals eaten to the lapping of waves. Stalls throughout the Phuket sell fresh

avocados, coconuts, pineapples, bananas and rambutans for a pittance. There are numerous beaches — Patong, Nai Yang, Surin, Kata and Karon — and an interesting Sino-Portuguese architectural style in the main town. Phuket activities include diving in the coral reefs and searching the caves for the nests that are key ingredients in bird's nest soup.

Visitors should also take a boat trip to the islands in Phang Nga Bay where the James Bond film "The Man With the Golden Gun" was shot. Today, contemporary Gold-fingers meet you with cultured pearl necklaces, smoked mackerel and painted shells. Another worthwhile

trip is to the Phi Phi islands, three hours east of Phuket.

Another interesting coastal retreat on the Andaman Sea is Ranong, near the border with Burma, which features hot springs and is a good base from which to visit the Surin and Samilan islands.

For those seeking a bit of solitude, the up and coming island is Koh Samui, Thailand's third-largest island, 268 nautical miles south of Bangkok. Samui still has few hotels and is unspoiled, though that may change when an airport opens in April. The island features a national park and is the source for most of the coconuts sold in Bangkok.

—J.S.M.

## Thailand - in Facts and Figures

Population: 55 million.

Inhabitants: Thai (80%), Chinese (10%), Malay (4%), Lao, Burmese, Vietnamese, Indian and other (6%).

Capital: Bangkok (population approximately 6 million).

Size: 514,000 square kilometers (the size of France), shaped somewhat like the head of an elephant.

Official language: Thai. English and Chinese widely spoken.

Religion: Buddhism (94%), Islam (4%), Confucianism (1.5%), Christianity and others (0.5%).

Government: Independent since 1238, governed by Constitutional Monarchy since 1932.

Head of State: His Majesty King Bhumibol Adulyadej (Rama IX).

Currency: Thai baht (U.S.\$1 = 26 baht) divided into 100 satang.

Local time: GMT + 7 hours.

Weights and measures: Metric.

Location: Shares borders with Burma, Laos, Kampuchea and Malaysia.

Geography: Mountainous north, semi-arid northeast plateau, fertile central plains and tropical southern isthmus.

Weather: Hot season from March to May, rainy season from June to Oct., cool season from Nov. to Feb.



Ancient Ayutthaya features numerous ruins, temples and crumbling shrines.

## Guiding the Way to Ancient Ayutthaya

WHILE it is possible to explore Thailand as an individual, many tourists hire an experienced guide or join an organized tour for part of their local exploration. These solutions are eminently practical, allowing for minimal problems with language and the tatty Thai traffic, while providing a prime source of historical information and contemporary gossip.

Perhaps the best way to visit Ayutthaya, which 220 years ago had a population greater than London's, is by taking the day-long guided tour from the Oriental Hotel. The 740 baht (U.S.\$28.50) excursion leaves by bus, returns by boat and includes a buffet luncheon during the downstream cruise on the Chao Phraya River. While there is hardly anything exciting about the 90-minute bus ride, the four-hour boat trip provides an interesting glimpse of the hectic lifestyles of the 15 percent of the Thai population living on the water.

The historical trek focuses on the famed capital of Siam between 1350, when it was founded by King Rama Thiboid, and 1767, when it fell to the invading Burmese. Ayutthaya's period of absolute monarchy ("which meant the king could cut your throat anytime he wanted to," explained one guide-for-the-day, Somsak Thaiphukdee) included the reigns of 33 different kings.

Somsak started the morning by cracking jokes to the mainly western and Japanese group of tourists: "Don't get lost because you all look alike." Most of the 450-year-old

antiques they will try to sell you were finished yesterday — but don't tell them I told you that." "A set of postcards is the most authentic thing you can buy."

There are 300 ruins, temples and crumbling shrines in Ayutthaya and some can be visited by taking a boat on the canals. But Somsak contends it is better to visit two or three of the best on foot.

A good first stop is Wat Yai Chai Mongkol (the Temple of Great Celebration of Victory), built to commemorate a successful single-handed elephant combat by King Narasuan against the Burmese in 1592. The temple garden is replete with aphorisms on almost every tree ("Check your mind from evil," "Riches ruin the fool," "Cut down the forest of passion but not real trees") and Somsak, in the same spirit, tells everyone to "Please take your time, but hurry."

The second stop is at the Wat Mahachulalongkornrajavidyalaya (the Great Relic of Lord Temple) with grounds filled with numerous pagodas, chedis and a lot of sculpted Buddhas, some of which were beheaded for illicit export. A third stop features Thailand's largest bronze statue of Buddha, at Viharn Phra Mongkol Bopit, where Thai visitors throw bamboo sticks for the oracle.

As a follow-up to this glimpse of Ayutthaya's haunting past, one can visit the more-intact Bank Pa-In Palace, which was the summer residence of Rama V and Rama VI in the late 19th and early 20th centuries. Bank Pa-In is an intriguing mix

of European-influenced architecture, a pagoda bequeathed by Chinese merchants in Bangkok, and a beautiful Thai pavilion positioned on stilts in a lake.

The Oriental Queen, docked near the palace, was the site for lunch on this expedition. "Do not elevate the mind but ignore the stomach," said Somsak.

The 450-kilometer-long Chao Phraya River, which is constantly brown due to the country's fertile soil, is known as the river of kings and always includes a lot of commercial traffic. Between bites one can see teak barges carrying rice, women doing laundry, Thai children brushing their teeth or swimming in the water (something, Somsak pointed out, that foreigners might not want to do), as well as a number of floating markets.

Along the route is a large bird sanctuary and, despite numerous efforts by authorities to get rid of them, a constant profusion of green water plants on the river. Closer to Bangkok emerge the sleek royal barges, the Grand Palace and the lovely Temple of Dawn (Wat Arun).

The cruise ends at Bangkok — the city's canals have been filled in and replaced by pavement, ending its claim to be the Venice of the East. Still, the lack of a Venetian connection did not bother Somsak, a contemporary merchant.

"Please ignore the rumors that guides don't like tips," he said as the boat docked at the Oriental Hotel. "They are false."

—J.S.M.

## 1987: The Year to See Thailand

TOURISM outdistances rice, tapioca, textiles and teak as Thailand's largest earner of foreign exchange. The number of tourists visiting the country last year increased 11 percent to 2.6 million, and authorities estimate there will be almost 3 million visitors in 1987, which has been targeted as "Visit Thailand Year."

Why go now?

Dhamnoon Prachuabmoh, the governor of the Tourism Authority of Thailand, discussed the country's tourism strategies during a recent promotional stopover in Nice, France.

Why is 1987 "Visit Thailand Year"?

The private and public sector, and the Thai population in general, is gearing up for His Majesty King Bhumibol Adulyadej's 60th birthday on December 5. The birthday which completes a person's fifth 12-year cycle is a momentous event in the life of every Thai and the nation will salute the king with exceptional fanfare.

The Thai people will pay their respects to the monarch with 12 months of color and pageantry, special festivals and celebrations. Our regular festivals will be enhanced and special events will be held, including many symbolic state ceremonies steeped in ancient traditions.

The major events will be the royal procession on October 16 and the king's birthday on December 5. The fête, is not just in Bangkok but throughout the country, and each province will feature traditional local fairs, giving tourists an added incentive to move off the beaten path. There is something exciting every week and we expect it to create an increased interest in visiting Thailand.

What would you do if you had a week to spend in Thailand?

First of all, I would extend my itinerary to two weeks, which is the amount of time necessary for one to get a good sense of the country. I would spend three days in Bangkok and then pursue personal interests — sunbathing, shopping, game viewing, culture, architecture or archaeology — in different parts of the country.

Thai hotels, food and nightlife are all affordable and there are numerous shopping bargains in fashion, leather, antiques and other goods. The cost of living is half as much outside Bangkok as within the capital — where prices are about a third of those in Europe.

What kind of reception will most tourists find?

Many people are amazed to find

that Thais are friendly, easy to meet and hospitable. They are surprised by our long history, cultural traditions and religion. These things simply are not found in surrounding countries.

Businessmen who come for the frequent conferences in Bangkok, which bring in about 30 percent of our total tourism revenue, are also pleased with the facilities for conventions.

What are your plans for Thailand during the next five years?

Tourism is a revenue-earning



Dhamnoon Prachuabmoh.

and employment-creating sector. We will expand the range of facilities and services to more parts of the country to further make Thailand a top destination for travelers. We will keep catering to knowledgeable, experienced travelers, about 30 percent of whom will continue to come on package tours, but will still keep hotel rates and prices reasonable.

Are there any serious problems that should be anticipated by prospective tourists?

The major problem is that, except within Bangkok, Thais do not always speak English. But there are excellent guides and tourist offices throughout the country.

Getting to Thailand is no problem. Thai Airways International currently flies to 43 key destinations in 30 countries. Last autumn it added Stockholm and Düsseldorf to its European routes. The airline has an added service, Royal Orchid Holidays, which sets up group or individual tours. And there are a number of other good local agencies, like Dieckmann Travel and World Travel Service.

The Don Muang International Airport, which will open a new arrivals wing this spring and complete the departure hall by December, is a hub for international flights to southeast Asia.

—J.S.M.

## Shopping: True Bargains - and Some Fakes - Abound

MERGE a 600-year-old artistic tradition, superb contemporary craftsmanship and low labor costs and you get some great shopping.

Silks and cottons, sapphires and rubies, antiques and "instant antiques" are some of Thailand's best buys. Finely tailored suits and made-to-order shoes, once Hong Kong's great forte, are now found at far cheaper prices in Bangkok. Hand-crafted silverware and celadons are other musts.

The classic start to a Bangkok shopping spree is Jim Thompson, the premier silk store named after the American who revived the Thai silk industry after World War II (and then disappeared mysteriously into the jungle).

The two-story emporium vibrates with elegant silks and unfurling bolts of house-designed and printed silks and cottons. The colors, sheens and designs are marvellous — and prices the highest in Bangkok.

A yard of printed silk fabric sells for the equivalent of U.S. \$13.50; a ready-made cocktail dress averages \$135, and a cotton day dress just under \$60. In the men's department, a long-sleeved silk shirt is \$52; one in cotton \$35, and a silk tie costs \$12.50.

While it's best to avoid cheap outlets — and tourists who may take you to some — there are a number of other excellent silk and cotton stores where color-finesse and durability are also guaranteed — and where prices are far lower than at Jim Thompson. Among these are Design Thai, Thai Pan and Shinawatra.

Bangkok's back alleys and chic shopping plazas abound with tailors and dressmakers. Visiting U.S. congressmen and business executives drop by to have suits cut at Perry's, Art's or Adam's tailors (average price ranges from \$90 to \$220). The Thai prime minister, a suave dresser, favors July Tailors.

But one doesn't need the top of the line for such Bangkok standards as the safari suit or shirts of military design.

A distinctive haute couture, abetted by a craze for fashion shows, is thriving with its creations on display at boutiques in Cham Issara Tower, Amarin Plaza and Siam Center. Well-established high-society dressmakers include Pornat, Ngam Vilai, Kai Boutique and New House.

Visitors with at least four days in town can have a pair of ant-eater-hide boots made to measure (\$115 at the well-regarded Siam Bootery).

Thailand offers a wide range of superb shoes, handbags and various accessories in leather as well as snake, lizard and crocodile skins (the crocs are farmed, not shot in the wild). Custom-made women's shoes in various materials are available from \$25 to \$40.

Bangkok is rapidly becoming a major world center for precious stone cutting as well as jewelry design. Rubies, sapphires, diamonds and other stones are imported — or smuggled — from Burma, Sri Lanka, New Zealand, Australia and even further afield.

There is also a lot of colored glass around, behooving shoppers to stick to outlets with solid, long-standing reputations and which provide certificates of authenticity. Like the award-winning "The Lovers" at the Dusit Thani Hotel, a number of the best are found in the arcades of first-class hotels. Tok Kwang Jewellers is one of several which have been around for years.

Expect to pay between \$110 and \$230 per carat for a passable ruby, with the finest, Burma-mined ones beginning in the \$3,800 range and soaring to \$75,000 per carat. A super sapphire can be purchased for around \$1,200 a carat.

Experts at Bangkok's National Museum estimate that as many as nine out of ten items sold at the city's antique stores are fakes, with the antique dealers themselves often victims of some of the world's most skillful forgers. Furthermore, it is a rare dealer who will show his best pieces to anyone but a top collector. So unless one comes equipped with a vast knowledge of Thai, Burmese and Cambodian art history and is prepared to gamble large sums, a sound policy is to shun expensive antiques and go for the fake.

An "instant antique" industry has mushroomed in recent years and the results — in wood, ceramic, bronze and stone — are often of remarkable quality. More and more

are being sold as reproductions and prices, naturally, are fractions of those for the real thing.

A final note of caution: check with the government's Fine Arts Department on rules for exporting antiques as well as Buddhist images of even recent vintage.

In Bangkok, the best place for both real antiques and reproductions is River City, a shopping plaza which has attracted more than 30 of the country's top dealers, including Gallerie d'Art, Neold Craft, Chaima and Samsi's. The nearby Oriental Plaza is also recommended.

But the bargain hunter can do no better than travel to the lovely northern city of Chiang Mai, where many of the instant-antiques are made. Chiang Mai has a centuries-old tradition of fine craftsmanship and fathers still pass on to sons the inner magic of silver, nickel, bronze, lacquer, celadon and wood.

Bangkok, of course, also offers numerous craft outlets. For hill tribe and lowland village handicraft of high quality, stop at one of several Chitralada stores, sponsored by Queen Sirikit.

Bargaining is the rule in a variety of shopping situations — when purchasing jewelry (at even the most upmarket retailers), having clothes made, and in antique stores. But it is not practiced in department stores and places like Jim Thompson.

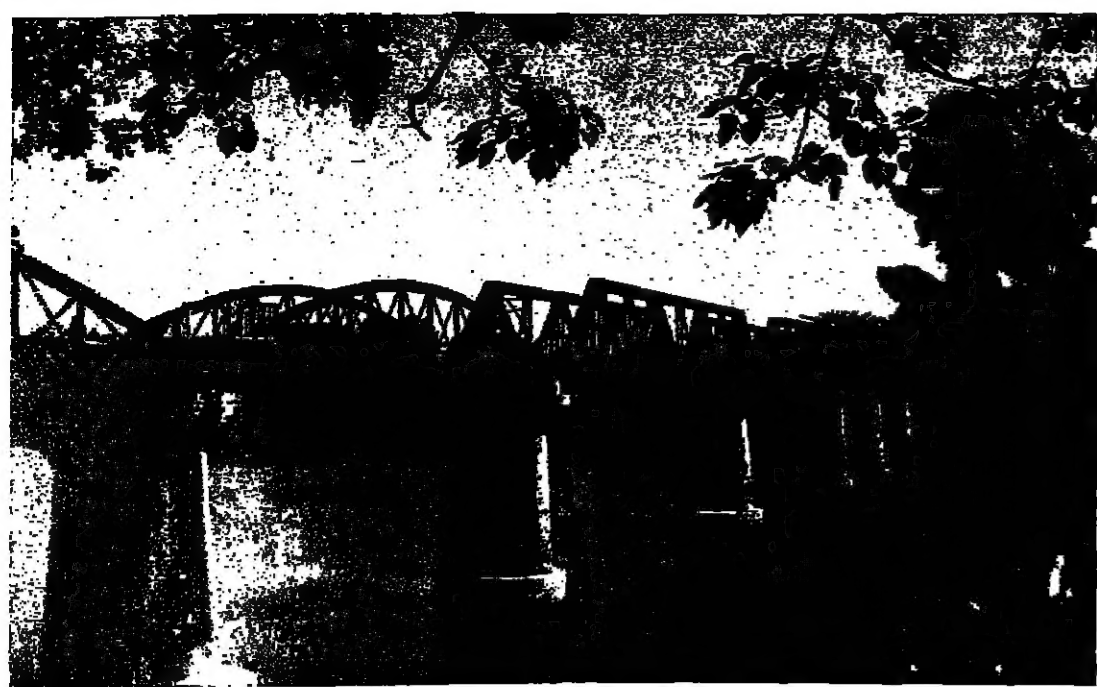
Bargaining is refined to an art in Thailand's open-air markets, where selling is invariably handled by wizened women with sharp tongues and a wrinkle in their eyes.

Bangkok's markets, especially the mind-boggling Weekend Market, are best explored with a Thai speaker, especially when bargaining is called for (locals can extract better prices than foreigners). Nancy Chandler's annotated map of city markets is an excellent guide to a world of exotics and day-to-day life of the Thais.

—T.V.M.







## Above the Bridge on the River Kwai

**J**UNGLE Rafts Hotel — I am swaying in a hammock on the terrace of a floating hotel about 70 kilometers upriver from the Bridge on the River Kwai. There are neither electricity nor flush toilets but the 20 thatched-roofed rooms, floating on bamboo poles lashed together with hemp cord, do have running water.

The hotel can be reached by taking a long-tail boat up the brown Kwai River but, despite the relative isolation, I am not the only one here. On the nearby shore, an elephant is being ridden by his Thai trainer and some water buffalo are bathing downstream. There are two

monkeys sleeping in a cage in the dining room.

I don't miss the air conditioning, automobiles or telephones of overly civilized Bangkok, but I do find it just as difficult to dodge elephant droppings in the dense, mountainous jungle as those of lesser beasts on city sidewalks. That is about the only inconvenience of being in this somewhat remote spot. I resolve it by hiring the elephant to ride through the jungle and explore some nearby caves and shrines.

At night, after a Thai-French dinner (the hotel is owned by a Frenchman, Jacques Bes, who, one assumes, provided the culinary in-

struction), there is a unique dance and music performance by the Mons tribespeople running the hotel. The star is a child dancer who can't be much more than three years old, and he generates enthusiastic applause from myself and the other Dutch, British and Australian guests. After the performance I get that great bonus of the wilds: a sound ten-hour sleep.

The Jungle Rafts hotel is a good place to reflect and relax, or just relax, after visiting the Bridge on the River Kwai and the temple-run JEATH Museum — so-called because the monks did not want to call it Death Museum and instead

named it after the primary nations (Japan, England, America and Australia, Thailand and Holland) which participated in action here during World War II.

The JEATH museum, and the 6,982 tombstones in the well-kept and tranquil British-run cemetery in Kanchanaburi, are both vivid reminders of what occurred just over 40 years ago. Allied prisoners of war and labor from India and a number of southeast Asian countries were forced by their Japanese captors to build a 415-kilometer-long railroad, appropriately nicknamed the Death Railway, to maintain the Japanese army in Burma. Construction began in September 1942, and when it was completed 16 months later over 16,000 Allied prisoners, and many more Asian laborers, had died of sickness, malnutrition, beatings, exhaustion and injuries.

The simple but moving museum is set in a bamboo hut on the same location in which some prisoners lived. Modeled on their prison compound, it displays the cramped space in which they slept and subsisted primarily on rice and pumpkin soup. It contains moving photographs, detailed written accounts and an array of articles (helmets, canteens, and guns) used by the prisoners and their wardens.

"It was routine work. Clear the jungle, uproot the trees, make a camp, prepare the embankment; then move on and start all over again," recalled Dutchman Cornelius Evers. "To the Japanese, we prisoners were in disgrace because, according to their rules, it was more honorable to die than accept defeat."

The railway, which became even more important to the Japanese when their sea and air routes were controlled by the Allies, was embodied by the jungle-camouflaged bridge built amid low hills. Connecting the valleys of Kwai Yai and Kwai Noi, it became a symbol of this World War II theater and was featured in the film "The Bridge on the River Kwai," released in 1957, adapted from the novel by Pierre Boulle and starring Alec Guinness.

It takes only a few minutes to walk across the bridges, which include many of the original elliptical spans built with material imported from Java and a 100-meter central rectangular section added after the Thais purchased the railway in the 1950s.

When I visit, two saffron-robed monks walking across the bridge are constantly forced to step aside to avoid motor scooters spinning between the tracks. I walk a few hundred meters up the line and imagine that the people who were forced to construct it probably tried to build the world's worst railway.

One villager recalls that at the time she, like everyone else, was constantly scared. She tells me about the day the bridge was bombed and the incomparable relief when it was all over. She makes it clear she prefers her present occupation: selling bananas and fruits to contemporary tourists.

Like many Kwai visitors who have seen the movie, I find myself whistling the popular score as I leave the bridge behind.

—J.S.M.



Chiang Mai's floating market, a prime spot for local produce.

## Chiang Mai's Varied Highlights: Elephant Rides, a Thai Massage

**C**HIANG Mai — The best way to get introduced to this capital city of northern Thailand is to climb the 306 steps, or take the tramway, to the War Phra That, the magnificent Buddhist temple on Doi Suthep mountain.

From this thousand-meter-high perch the visitor has a panoramic view of the town, its fertile valley and lush forests, as well as the surrounding mountains which form the lower ranges of the Himalayas. Looking another five kilometers up Doi Suthep, the visitor can see Bhubing Palace, the summer residence of King Bhumibol. The palace's elaborate gardens flower with roses, orchids, hibiscus and bougainvillea.

Chiang Mai, founded in 1296 and once the capital of the kingdom of Lanna Thai (the Land of a Million Rice Fields), is one-fortieth the size of Bangkok, with a relatively moderate climate that provides a refreshing change from the often-humid south. Those visiting Chiang Mai early next month will be in time for the city's annual flower festival (Feb. 6-8), featuring a spectacular floral float procession that depicts episodes from Thai mythology, legends and folk tales.

Another enjoyable day to drop in is April 13. This is Songkran, the traditional Thai New Year, marked by religious merit-making, parades and dancing throughout the country. It is traditional for celebrants to sprinkle scented water on their elders, monks and Buddha images as a gesture of veneration. But in Chiang Mai, where the new year falls in the middle of the dry season, Songkran celebrations are a bit more rambunctious than most, involving a substantial amount of water-throwing. Everyone gets wet.

This is somewhat out of character for the city: Chiang Mai and its population of 200,000 are usually well-ordered and quiet. Although not quite the relaxed village of a dozen years ago, the moated city has a quiet beauty, with many northern-style temples dating from the 1300s.

It is extremely difficult not to go on a shopping binge in Chiang Mai. Prices for most items, including Burmese antiques and jade, are generally lower than in Bangkok and there is a wide range of locally made goods.

As always, it's wise to pay careful attention while shopping ("Face it, there are a lot of future antiques for sale," admitted one salesperson). As a general policy, don't purchase anything without haggling the price down 10 to 25 percent. There is not a profusion of hard sell, but shopkeepers in Chiang Mai are keen to make a deal, sometimes offering to meet prospective customers at the airport with a credit card machine to help influence last-minute purchasing decisions.

Chiang Mai is now Thailand's second major tourist destination and has all the required facilities, including a golf course at Lanna where the female caddies are distinguished by their bright orange apparel.

There are numerous hotels, like the Orchid and the Rincoone, downtown, but many visitors prefer making the 45-minute drive to the Mae Sa Valley Mountain Holiday Resort (Tel.: 053-251191, Telex: 82436) located amid thickly forested terrain.

By staying in the valley one can more easily visit Meo tribal villages and an elephant camp with a daily show featuring the animals at work. There are only 4,000 working elephants left in Thailand; another elephant camp is located in Chiang Dao. A short ride can be taken for \$1, or a longer trek in the jungles can be arranged. There are also many colorful orchid nurseries, and the Sai Nam Phung Orchid Nursery sells boxed orchid seedlings (\$8 for six plants) as well as the food and anti-fungus spray to help them grow.

Although Chiang Mai is 13 hours by train and nine hours by bus from Bangkok (until the late 1920s it could only be reached by an arduous river journey or an elephant ride of several weeks), it can be more easily reached by a one-hour airplane flight (round-trip fare from Bangkok, \$93). One of the advantages of the latter is that near the airport, and behind the Old Chiang Mai Cultural Center (where the nightly Thai banquet and hill tribe show, with an elaborate presentation featuring the costumes and dances of the seven hill tribes native to the area, is well-worth attending) is the Rinkaw Phovech Ancient Massage where the masseuses practice the invigorating traditional Thai massage (\$8 an hour).

"I take groups of foreigners for a massage after long bus trips in northern Thailand and they never want to leave," said one guide, Buakaw ("Betty") Thaiyai, who suggested that more adventurous travelers may want to visit Maw Hong Son near the Burma border, or Chiang Rai, near the 200,000-square-kilometer Golden Triangle formed by the borders of Thailand, Laos and Burma.

In both places one can trek between villages of various hill tribes — including the Meo, Lisu, Lahu, Yao, Akha, Lawa and Karen of Tibeto-Burman origin — and in Chiang Rai there is an exciting trip on the Mekong River (and a chance to sample the renowned Mekong whiskey). Also worth a visit are the stunning temples in Lamphun as well as Thailand's highest mountain, waterfalls and wildlife in the Doi Inthanon National Park.

"But wherever you go," said Thaiyai, who tries to get a rubdown at least once a week, "don't leave Chiang Mai without getting a massage."

—J.S.M.

## Taking a Gamble on Thai Sports

**T**HAI people will gamble on anything," Surachan Vibulpakdi told a visitor as they drove past the Lumpinee boxing stadium.

"That can't be!" came the reply.

"Warua bet?" he retorted.

In fact, it's often true. The Thais love gambling, and much of it is done on and at athletic events. There are two horse race tracks in Bangkok, but the gambling extends far beyond — to beetle fighting in Chiang Mai and kite fighting whenever the winds blow. However, it's generally agreed that the most money changes hands at the nightly Thai boxing matches in Bangkok.

Thai-style boxing would probably impress even Mike Tyson — the activity is comparable to playing American football without the benefit of padding. Thai boxers sport ballooning trunks and small, lightly padded brown gloves. Until 1940, these gloves were constructed of woven hemp that was often studded with bits of glass.

Both combatants usually have protective amulets knotted around their heads and biceps and are adorned with sweet-smelling jasmine wreaths prior to the fight. Before trying to go the distance (five three-minute rounds with a two-minute break between rounds), the barefooted pugilists perform slow-motion exercises and dances — tributes to the boxing styles taught at their instructors, and a preview of how they plan to win the upcoming bout. During the fight an orchestra of flutes, Java pipes, cymbals and drums plays, setting the pace and reflecting the increasing tempo of the action in the ring.

Thai boxing is a street fighter's dream — a combination of karate, taekwondo and Western boxing that demands the deft use of hands, feet, elbows, knees and legs. The sport began during the Ayutthaya period, between 1350 and 1767, and the only taboos, according to the official regulations, are "wrestling,



Thai boxing demands the use of hands, feet, elbows and legs.

judo, throwing, butting, bizing, spitting and kicking while down." Even so, it's not uncommon for the boxers to bend the rules.

The activity in the ring, however, is only part of the show. Additional action is focused on bets, usually made during the third and fourth rounds. Bettors hold fists, hands and

fingers in the air to indicate the chosen fighter, the odds and the amount of the bet. When two betters come to terms, a split-second process, they clasp fingers to seal the deal.

Similar betting occurs during boat racing, which is featured at many country fairs and involves

long, narrow wooden boats manned by competitive oarsmen and festooned with flags and flowers.

Kites have long been popular in Thailand, for sport and, in one memorable instance, in warfare: an Ayutthaya governor quelled a 1690 rebellion by flying massive kites over a besieged city and bombarding it with jars of explosives.

The object of contemporary kite fighting is to down an opponent's kite in its own territory. The match is often a symbolic battle of the sexes, with scar-shaped kites representing the male and the smaller diamond-shaped kites the female. Kites also come in animal shapes, including snakes, dragons, frogs and butterflies, and in all sizes.

Kite tournaments are held from March through May. A prime time to view the sport, and perhaps make a bet, is during the international kite festival in Pattaya (April 11-13). Competitors come from the U.S., the Netherlands, New Zealand, Canada, Japan and the People's Republic of China.

—J.S.M.

## Finding Bliss - at the Bangkok Barbershop

**T**HE elaborate list of services at the Panache Barbershop is similar to a menu in a three-star restaurant. There is not only the usual shampoo, shave, haircut, pedicure, manicure and facial but also the more exotic ear cleaning, eye wash and head massage. I look at the list of services — Kanjana Nakulai performing the pedicure and manicure, Noi Ampham staining with the head and neck massage — and feel like I am at the theater.

I have just arrived in Bangkok and, as often, my first stop is the barbershop — where I usually get the full treatment. I consider this activity as much cultural and social as cleansing and sensual. It takes the edge off a long flight, introduces me to the services that are unique to Thailand, and lets me talk to people. Barbershops in Thailand are a focal point of social contact for Thais — perhaps second only to

temples — and a serious visit takes a few hours. This voyage into innocent bliss is set primarily in an elaborate barber's chair which is electronically controlled and has an internal vibrating mechanism. Once seated, I sit back and enjoy the show.

Prices vary for the different services, but are usually at least double in the large hotels where they are at more simple establishments on the streets. A shampoo and haircut at Panache at the Hyatt Central hotel costs 220 baht (U.S. \$8.50), a manicure or ear cleaning is 110 baht (\$4.25) and a legitimate upper-body massage is 100 baht (\$4). Noi Ampham, or one of her ten colleagues, will also give a complete body massage in a separate room off the shop.

Although many doctors object to the ear cleaning, it is a tradition among Thais to go to barbers for this purpose.

"It is very difficult to adequately clean one's ears by oneself and some people are lousy, which is why they leave it to barbers," explained Nitya Damprap, the Panache receptionist. "Barbers like our own Mana Chaiyathod are extensively trained in this art at hairdressing school and work with the precision of a surgeon."

The ear cleaning consists of the removal of wax from the outer ear using a small scalpel-like instrument. It is followed by a cleansing with alcohol, a "massage" with a brush made from chicken feathers and a symphonic finale formed by quickly clicking two metal instruments together.

"I'd go deaf if I didn't have my ears cleaned and I'm convinced it improves my hearing," said the Thai sitting in an adjoining chair.

—J.S.M.

## Phuket Island: Unspoiled Charm

**T**HE horseshoe bay is fringed with low, deep green hills: nothing spectacular, yet quietly pretty. The white sand beach is known as Patong, and the sea is clean, clear and refreshingly cool at this time of the year. Yachts bob in the natural harbor, the calm disturbed only now and again by a few waterskiers and water-scooters.

This is Phuket island's busiest and most developed beach, but there are no high-rise hotels here. The mood is still one of relaxed unspoiled charm.

Lying off Thailand's southwest coast and facing the Andaman Sea, the island is only an hour's flying time from Bangkok. It is large, about the same size as Singapore, and so has room to develop while leaving many sites untouched.

Besides Patong, there are dozens of quieter beaches — neighboring Karon or Kata, for example; Surin, with its sunsets and strong surf; or Mai Khao, the longest beach. There is no road linking these west-coast beaches, necessitating a return trip of a few miles to the main north-south road to go from one to another. This serves as a major plus for tourists: the beaches and coves, free of traffic, maintain a feeling of timelessness and inaccessibility.

—D.W.

## 1987 Calendar

This year has been designated "Visit Thailand Year" and numerous special events have been planned throughout the Buddhist kingdom. Festivals are an important facet of Thai life, commemorating past kings or celebrating Buddhism or the annual cycle of rice farming. The following list includes the main ones:

### JANUARY

**Don Chedi Memorial Fair.** Jan. 24-30, Don Chedi District, Suphan Buri. Commemorating the decisive battle won by King Narathuan the Great at Don Chedi, the fair features historical exhibitions, entertainment and local handicraft stalls.

**Phra Nakhon Khiri Fair.** Jan. 28-Feb. 1, Phetchaburi. A light and sound presentation traces the history of Phetchaburi province and Phra Nakhon Khiri (City on the Mount), the site of architecturally significant structures and palaces.

### FEBRUARY

**Flower Festival.** Feb. 6-8, Chiang Mai. This annual event features displays, floral floats and beauty contests. It coincides with the period when the province's temperate and tropical flowers are in full bloom.

**Mueang Puja.** Feb. 12, Nationwide. This annual festival commemorates the occasion

when 1,250 disciples spontaneously gathered to hear the Buddha preach.

### MARCH

**Phra Buddha Baht Homage-Paying Fair.** March 6-13, Saraburi. Buddhist devotees make the annual pilgrimage to the Holy Footprint on temple hill near Saraburi, 236 kilometers north of Bangkok. Festival features folk music, plays and bazaars.

**Thao Suranari Fair.** March 25-April 3, Nakhon Ratchasima. Festivities honor the national heroine Thao Suranari who, in 1826, rallied locals to repel invaders from Vietnam. Festivities are centered around Thao Suranari's memorial statue and shrine.

### APRIL

**The Glory of Ayutthaya.** April 3-13, Ayutthaya. Pageantry, displays and entertainment are featured around the magnificent ruins of Ayutthaya, the Siamese capital between 1350 and 1767. The glory of this former capital is presented in a nightly *see a lioness* spectacle.

**Pot Sang Long Fair.** April 4-6, Mae Hong Son. "Pot Sang Long" in the Thai Yai dialect means the ordination ceremony of Buddhist novices, which is believed by the tribe to be even more significant than being ordained as monks.

**Chaltri Day.** April 6, Nationwide. This day commemorates the founding of the present Chulalongkorn (His Majesty King Bhu-

misol is the ninth Chulalongkorn.) This is the one day of the year when the Royal Pantheon in Bangkok's Wat Phra Kaeo (Emerald Buddha Chapel) is open to the general public.

### MAY

**Coronation Day.** May 5, Bangkok. This day commemorates His Majesty King Bhumibol's crowning in 1950.

**Rocket Festival.** May 9-10, Yasothon. Northeast villagers construct gigantic rockets to fire into the sky to "ensure" plentiful rice season rains. The Rocket Festival features beauty parades, folk dances and high-spirited revelry before the ceremonial launching of the rockets.

**Vesakha Puja.** May 11, Nationwide. This holiest of all Buddhist days marks the Buddha's birth, enlightenment and death. Ceremonies are identical to Magha Puja.

### JUNE

**Fruits Fair.** June, Rayong. This annual fair features delicious provincial fruits including rambutan, durian, jackfruits and pineapples. Also featured are cultural displays, exhibitions and folk art.

**Phi Ta Khon Fair.** June, Loei. This is a version of rain-making rites held exclusively in Don Sai District in Loei Province. Phi Ta Khon is believed to be the spirit guarding the Phra That Si Sang Rak, the major local

shrine. Activities include religious sermons and a parade of participants dressed like Phi Ta Khon. The event has been compared to the American Halloween.

### JULY

**Asalha Puja.** July 10, Nationwide. This day commemorates the Buddha's first sermon to his first five disciples and introduces Khao Phansa (July 11), the commencement of the annual three-month Buddhist Rain Retreat, when all Buddhist monks reside in their monasteries to study and meditate.

### AUGUST

**Longan Fair.** August 8-9, Lamphun. This fair features best-grown longan contest exhibitions and a Miss Longan Contest.

**H.M. The Queen's Birthday.** August 12, Nationwide. The widespread celebrations find a particular focus in Bangkok, where government buildings are decorated and illuminated at night with colored lights.

### SEPTEMBER

**Phichit Boat Races.** Sept. 5-6, Phichit. This famous regatta features long-boat racing. The low-slung, wooden boats are raced with great gusto.

**Vegetarian Festival.** Sept. 23-Oct. 1, Phuket. Phuket islanders of Chinese ancestry commit themselves to a vegetarian diet for nine days. The festival's first day features a

parade of white-clad devotees and several exotic displays.

### OCTOBER

**Illuminated Boat Procession.** Oct. 5-8, Nakhon Phanom. Inhabitants of this Mekong riverine provincial capital celebrate *Ok Phansa* by floating intricately decorated miniature boats that are illuminated by flickering candles.

**Chak Phra Festival.** Oct. 8, Surat Thani. Buddhist devotees place a Buddha image upon a carriage which is pulled in procession around the town. Both water and land processions are organized, including the Royal Race Procession.

**Thot Kathin.** Oct. 8-Nov. 3, Nationwide. Ok Phansa introduces the Kathin period when, throughout Thailand, the Buddhist laity present monks with new robes and other items deemed necessary for the forthcoming year.

**Royal Barge Procession for The Royal Kathin Ceremony.** Oct. 16, Bangkok. His Majesty the King will perform the Ceremony of the Royal Presentation of the Annual Kathin Robes to the congregation of monks at Wat Arun Rajawong (The Temple of Dawn). His Majesty will journey from the Suphannahong in the Royal Barge Procession along Chao Phraya River.

**Chulalongkorn Day.** Oct. 12, This day

honors King Chulalongkorn (1868-1910), Thailand's most beloved king. Thais from all walks of life lay lavishly decorated wreaths at his equestrian statue in Bangkok's Royal Plaza.

### NOVEMBER

**Golden Mount Fair.** Nov. 1-8, Bangkok. This most popular of Bangkok Temple Fairs is an annual event attracting Bangkokians and people from surrounding provinces. Sideshows, entertainment booths, folk dances and numerous foodstalls contrast vividly with religious merit-making around the golden stupa.

**Loi Krathong Festival.** Nov. 5, Nationwide. This is Thailand's loveliest festival when, under the full moon, Thais float away onto rivers and waterways in small lotus-shaped banana leaf boats to honor the water spirits and wash away the previous year's sins.

**Thailand Boat-Racing Championship.** Nov. 7-8, Bang Sai Royal Arts & Crafts Center, Ayutthaya. Local and foreign crews will compete on the Chao Phraya River facing this riverside Arts & Crafts center where quality regional handicrafts are produced.

**Floral Floats Procession.** Nov. 13, Bangkok. Interspersed with leading marching bands, the entire procession will proceed along Ratchadamon Avenue from the Royal Plaza to Sanam Luang.

**River Kwai Bridge Week.** Nov. 28-Dec. 4, Kanchanaburi. This features a thrilling nightly *see a lioness* spectacle as the world-famous bridge, Archaeological and historical exhibitions, folk and cultural performances, and rides on trains hauled by WWII vintage steam engines number among the attractions.

### DECEMBER

**Grand Celebrations in Honor of His Majesty the King's 60th Birthday Anniversary.** Dec. 4-6, Bangkok. The climax of the year's events will be Dec. 5 when His Majesty the King completes his fifth 12-year cycle.

**The King's Birthday.** Dec. 5, Nationwide. Festivities occur throughout Thailand. Bangkok houses and streets fly miniature Thai flags, and nighttime Bangkok, particularly in the Ratchadamon Avenue and Grand Palace area, becomes a floodlit fairland of colored lights.

**Tourism Festival & National Identity Exhibition.** Dec. 26-Jan. 3, Bangkok. The city will host cultural troupes from all over Thailand. Basic cultural performances, exhibitions, theme entertainment, regional food stalls, handicraft displays and souvenir stands will be the major attractions.

Photos for this section courtesy of P. Srinivasan, Thailand Tourism, S. S. S. and William A. Harbison.



EUROBONDS

Stock, Currency Worries  
Make the Market Cautious

By CARL GEWIRTZ

PARIS — The wild gyrations of U.S. stock prices on Friday and the currency war waged by Washington against West Germany and Japan have laid a blanket of caution over the international capital market. The fallout from Wall Street's fireworks was already apparent on Friday, when the speculation and confusion in the stock market spilled over into the New York bond market and drove prices down and yields up.

Normally, stock and bond markets move in opposite directions, but the breadth of the speculative binge in the stock market added another negative, at least psychologically, to the concerns gnawing at confidence.

Jerry Goldstein, a director at Sanwa Bank in London, sums these up as "a weak dollar, a weak president, the prospect of Paul Volcker leaving the Fed, the lack of agreement on exchange rates, the danger of a trade war and, for the United States, the likelihood of increased inflation resulting from higher oil prices and the depreciation of the dollar."

Last week's half-point cut in the base interest rate, to 3 percent, by the Bundesbank did nothing to allay any of the international aspects of these worries. The cuts were regarded as too little, too late and largely neutralized by the central bank's liquidity-absorbing measures to have any effect on West Germany's economic growth prospects this year.

The consensus is that West Germany will be lucky to eke out a 2 percent rate of growth, well below the government's target of 2.5 percent and far below the growth needed to enable the United States to reduce its colossal trade deficit.

Thus, the rate cuts, like the earlier revaluation against the other major European currencies, did nothing to alter the view that the Deutsche mark will continue to strengthen against the dollar. As a result, speculators who have moved into the mark remained there. There was some moderate profit-taking in the domestic bond market last week, but prices on Euro-DM bonds actually rose a fraction.

ALTHOUGH JAPAN is widely expected to reduce its interest rates again this week, the move is already largely discounted in the market and, as with West Germany, is not expected to produce any fundamental change in Japan's growth prospects.

The United States is prodding both countries to speed up growth to deflect more of their production to the home market, as well as to increase their volume of imports. Without such a boost in world trade and a reduction in its own deficit, Washington argues, it will be unable to resist domestic pressure to reduce the imbalance through trade restrictions, which would raise the prospect of a trade war.

For the past year, the U.S. Treasury secretary, James A. Baker 3d, has been warning that the deficit will be cut out what may, if not through increased world trade then through a steadily declining value of the dollar.

According to Morgan Guaranty Trust's senior economist, Rimmer de Vries, in order to reduce the current \$170 billion U.S. trade deficit to a more manageable level of around \$70 billion by the end of 1988, Japan needs to be expanding at an annual rate of about 3.5 percent and West Germany by about 3 percent.

Even at those rates of growth, he estimates that the U.S. deficit target could only be reached if the dollar shed another 10 percent or so from current levels, to a rate of 125 yen and 1.60 DM.

If Japanese and West German growth is slower, the dollar exchange rate would have to be even lower if the deficit target were unchanged.

The expectation is that the pain such exchange rates create for industry in Japan and West Germany will force those governments to adopt easier fiscal policies, which would boost domestic demand and spur growth.

The danger is how far the dollar can fall without triggering an international loss of confidence in the currency. Foreign investors are needed not only to go on buying U.S. government securities to finance the huge federal deficit, but they must also continue to hold the paper they have already purchased.

A loss of confidence that caused foreigners to dump the paper they currently hold would set off a major financial crisis, a concern that prompted Karl Otto Pöhl, president of the Bundesbank, to warn last week that Washington was "playing with fire" in driving the dollar down.

Whether Japan and West Germany play the game the way Washington would like or whether, as many Europeans fear, the United States simply fans domestic inflation by dramatically increasing import prices remains to be seen. What is clear is that currency markets expect the dollar to continue to weaken.

The bond market so far shows no sign of worrying about

Last Week's Markets

All figures are as of close of trading Friday

Stock Indices	Jan. 23	Jan. 14	Chg.
United States	2,815.52	2,874.63	+1.20 %
DJ Ind.	225.34	227.82	+1.14 %
DJ Ind. ex.	869.19	872.21	+0.36 %
S & P 500	259.01	258.68	+0.13 %
S & P 500	278.10	284.28	+1.44 %
S & P Ind.	322.79	328.27	+1.63 %
NYSE Comp.	154.02	152.21	+1.19 %

Money Markets	Jan. 23	Jan. 14	Chg.
3-month Treasury	1.75	1.75	0
3-month Treasury	1.75	1.75	0
3-month Treasury	1.75	1.75	0

Commodities	Jan. 23	Jan. 14	Chg.
Gold	374.50	374.50	0
Oil	22.50	22.50	0
Wheat	4.50	4.50	0

Currencies	Jan. 23	Jan. 14	Chg.
DM	1.60	1.60	0
Yen	125	125	0
Franc	1.50	1.50	0

Currency Rates

Cross Rates	Jan. 23
Australia	1.50
Canada	1.00
France	1.60
Germany	1.60
Italy	1.36
Japan	125
Netherlands	1.80
Sweden	8.50
Switzerland	1.50
UK	1.50
US	1.00

Other Dollar Values	Jan. 23
DM	1.60
Yen	125
Franc	1.50
Mark	1.60
Pound	1.50
Schilling	13.76
Sheqel	1.80
Yen	125
Yuan	6.50

GCA's Troubles and the Issue of Security

Chip Makers and Pentagon Fear Firm's Demise

By David E. Sanger  
New York Times Service

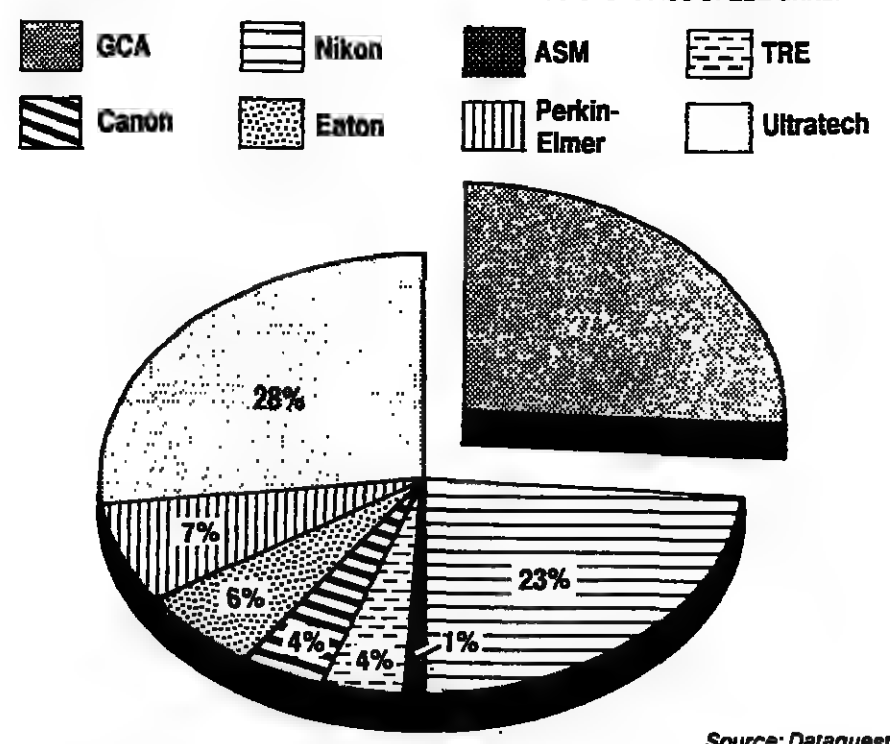
ANDOVER, Massachusetts — In a world as unforgiving of mistakes as the microelectronics industry, most people would simply shrug it off if a high-tech equipment maker as small as GCA Corp. ceased to exist in the midst of the computer slump.

But GCA's problems, instead, have prompted concern at IBM, talk in California's Silicon Valley about the surrender of another industry to the Japanese, and warnings from the Pentagon and the Central Intelligence Agency about threats to national security. GCA is among the last American makers of "wafer steppers" — the centerpiece of every semiconductor production line. The machines are million-dollar optical devices that expose the pattern of circuitry on silicon chips, aligning each layer of gates and transistors within a hundred-thousandth of an inch.

The technology, pioneered by GCA in the late 1970s, lay at the core of the United States' former dominance in the chip field. Now with the U.S. chip industry already half-crippled, many say the United States is becoming heavily dependent on its international competitors for the machines necessary to remain on the leading edge of technology.

"It's very, very critical," said Donald Latham, the assistant secretary of defense for command, control and communica-

Stepper makers and their market share for 1985 U.S. sales of 222 units.



Source: Dataquest

tions. "This type of equipment is the key to producing finer and finer resolution semiconductor devices. It's simply something we can't lose, or we will find ourselves completely dependent on overseas manufacturers to make our most sensitive stuff."

But even if wafer steppers are the core-of-the-core of U.S. technology, no one expects a Chrysler-like government bailout of a company as small as GCA.

Even chip makers heavily dependent on GCA products have turned down opportunities to buy the company, partly because of their own precarious condition, and partly because of a widespread conviction that GCA's management, now departed, although as part of a broad restructuring in recent months it has negotiated a plan to pay them back about 50 cents on the dollar. Its stock, more than \$40 less than

See CHIPS, Page 9

France Reportedly Acts to Slow Paribas Buying

Reuters

PARIS — Huge demand for shares in the Paribas bank group, which is being sold by the French state, has led to government moves to cool speculation and slow buying by institutional investors, according to official and market sources.

The return to the private sector of Cie. Financière de Paribas is the second of 65 planned by Prime Minister Jacques Chirac's rightist government.

A total of 21 million shares in the group were put up for sale last week at 405 francs (\$66.70) each. The offering closes Jan. 31.

The sources said Friday that a heavy demand for the stock had raised fears that requests for more than 10 shares might be impossible to meet.

It was becoming increasingly

likely that large institutional investors would be squeezed out of the market altogether and some of the 6.3 billion shares reserved for foreign buyers taken back for the domestic market, they said.

The Chirac government's first denationalization, of the glass and building materials maker Cie. de Saint-Gobain, last November was 14 times oversubscribed.

The original 20 percent stake reserved for foreigners was cut to accommodate domestic demand.

Orders for Paribas shares in the first few days of last week were substantially higher than for Saint-Gobain in the equivalent period, bankers and brokers said.

The government gave an indication that it wanted to cool the buying fever for Paribas by asking investment banks and brokerage houses to stop issuing "gray-mar-

ket" quotes on computer-screen services during the two-week flotation.

In gray-market trading, participants quote prices on shares they promise to deliver when formal trading begins.

A Finance Ministry spokesman declined to comment on the move but confirmed reports that the government had drawn market attention to a 1942 law setting prison terms of up to two years for posting share prices outside stock exchange hours.

Brokers and bankers said they had not been threatened by legal action but had been asked not to display gray-market quotes on screens. That was forcing institutional investors to telephone to get an idea of gray-market prices and was slowing transactions, they said.

The Treasury, already charged by the opposition with underpricing Paribas stock, underperformed that gray-market quotes 20 percent higher than the share issue price would encourage speculation, dealers said.

USX Said to Weigh Sale Of Diversified Businesses

By John Crudele  
New York Times Service

NEW YORK — USX Corp. is considering the sale of some, if not all, of the businesses in its diversified products group as the first part of its long-awaited restructuring, according to Wall Street and industry sources.

At least in the first stages, USX will leave untouched its steel operation and its oil and gas businesses, the sources said. USX's chairman, David M. Roderick, is committed to the energy and steel business for now and "not committed to anything else," they said.

USX, formerly U.S. Steel Corp., said in September that it was studying a possible restructuring. The announcement was made in response to speculation that USX would be the target of a takeover attempt.

A New York investor, Carl C. Icahn, said in October that he had made an \$8 billion bid for USX, but withdrew the offer on Jan. 8.

Mr. Roderick said in December that he would present a partial restructuring plan to the board at a meeting on Tuesday. A company spokesman said Friday that "all indications point to him keeping to that schedule."

Sources on Wall Street said Mr. Roderick seemed to have been leaning in recent weeks toward selling some diversified operations. Those businesses could generate more than \$1 billion and perhaps as much as \$1.5 billion, the sources said.

The company has already divested some of the operations in the group and put others into joint ventures. On Friday, USX said it had signed a letter of intent to sell Apollo Gas Co., which operates a utility in western Pennsylvania, to Consolidated Gas Co. for undisclosed terms.

"It's logical to expect that they will sell huge chunks if not all of that group," one source on Wall Street said of the diversified operations.

Those operations include Cydonia Fence, Warrior & Gulf Navigation Co., American Bridge, U.S. Agri-Chemicals, USR Realty Development, RMI Co., USX Engineers & Consultants, and several railroads, including Union Railroad Co. and Elgin, Joliet & Eastern Railroad Co.

Much of Tuesday's board meet-

ing is expected to deal with a 25-week industrial dispute at USX's steel operation. A contract agreement with the unions was reached this month, but still needs ratification by the union membership.

But the board is also likely to hear that USX can do without many of the businesses in the diversified group, which, one source said, was built up almost "by mistake."

There has been speculation that USX might split into two companies, one for oil and gas and the other for steel.

There has also been speculation, although discounted by most experts, that the energy business might be sold outright.

Phone Strike Will Hit London Financial Center

Reuters

LONDON — An indefinite strike by about half of Britain's 230,000 telephone engineers from midnight Sunday is expected to disrupt communications in the City, London's financial center, which relies heavily on telephone lines for its computerized trading systems.

"This is an indefinite all-out stoppage throughout the City," Ron Burch, the leader of the City branch of the National Communications Union said. "It will affect all aspects of City business."

The union, which represents 110,000 engineers, voted last week for a strike after British Telecommunications PLC refused to reinstate union members suspended during a dispute over pay and conditions.

During the strike, faults will not be repaired and up to 250,000 lines could be out of action by next Sunday, the company estimates.

British Telecom management and union leaders are to meet on Monday. Union officials have said they expect a new offer on the dispute.

EC, U.S. Hopeful Of Agreement In Trade Dispute

Compiled by Our Staff From Dispatches

BRUSSELS — European Community and U.S. negotiators failed to settle a trade dispute on Saturday but said they still hoped to reach an agreement this week.

The negotiators are working against a Saturday deadline to settle a dispute over U.S. agricultural exports to Spain that has threatened to escalate into a trans-Atlantic trade war.

The U.S. and EC negotiators met in Washington on Friday and Saturday. Both sides said that differences had been narrowed.

On their return to Brussels, the EC's external relations commissioner, Willy de Clercq, and the agriculture commissioner, Frans Andriessen, said they would report to community foreign ministers on Monday.

Mr. Andriessen said the two sides had agreed not to disclose details of the talks.

"There was no agreement but the negotiations are not yet over," he said.

The dispute is over U.S. demands for at least \$400 million compensation from the EC for the share of the Spanish feed grains market it claims U.S. suppliers lost after Spain joined the EC last year.

An original U.S. deadline of July for resolving the dispute was pushed forward to Dec. 31, then extended for a month.

"There is no question of again prolonging the deadline," Mr. de Clercq said.

He said that one thing agreed on was that the dispute must be settled by the end of the month, when a 200 percent U.S. duty on a range of community imports would come into force.

The EC has said it would respond in kind against the U.S. tariffs, which might provoke further U.S. retaliation.

Mr. de Clercq said that after consulting the foreign ministers, the two sides may be able to settle the dispute by telephone.

It was possible that the U.S. negotiators, Trade Representative Clayton K. Yentur and Agriculture Secretary Richard E. Lyng, would come to Brussels this week to work out the details if that proved necessary, he said.

Mr. de Clercq said concessions would have to be made by both sides.

EC sources said this appeared to mean that the community would have to improve on its original offer to allow third countries to export an additional 1.6 million metric tons (1.76 million short tons) of maize and sorghum to the community.

The U.S. share of that total would be about 1.1 million tons. Washington has so far insisted that it would not settle for less than 4.2 million tons, of which 2.8 million would come from U.S. exports.

(Reuters, AP)

In Shake-Up, Grenfell Names Vice Chairman

Reuters

LONDON — After a shake-up as a result of a scandal surrounding Guinness PLC, Morgan Grenfell Group PLC has appointed Charles Rawlinson group vice chairman.

Mr. Rawlinson will, however, be retiring as chairman of the group's merchant banking arm, Morgan Grenfell & Co., on medical advice, the company said on Friday.

Sir Peter Carey will replace Mr. Rawlinson as chairman of Morgan Grenfell & Co. Sir Peter is also chairman of an executive committee set up to manage the group's affairs pending a review of group organization and management.

Morgan Grenfell's chief executive, Christopher Reeves, and Graham Walsh, a board member and head of corporate finance, stepped down after an internal inquiry into Morgan's role during Guinness's successful bid for Distillers Co. last year. Morgan acted as Guinness's financial adviser during the takeover battle.

Roger Seelig, a Morgan Grenfell takeover specialist who represented Guinness, resigned Dec. 31.

NEW ISSUE These Shares and Warrants having been sold, this announcement appears as a matter of record only. DECEMBER 1986

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Société Générale



## SPORTS

## SPORTS BRIEFS

## Pavin Has Slim Lead in U.S. Golf Tourney

SCOTTSDALE, Arizona (AP) — Corey Pavin, winner of the previous week's golf tournament, birdied two of his last three holes Saturday for a five-under-par 66 and a one-shot lead over Paul Azinger after three rounds of the Phoenix Open.

There were 14 others — including defending champion Hal Sutton, PGA champion Bob Tway and Doug Tewell — within five strokes. Tewell birdied six of seven holes in one stretch for a 62, while Tway carded a 63, Azinger a 65 and Sutton a 67.

Howard Twitty, playing a course he helped design, had shot 65 Friday to share the lead with Steve Jones. Saturday, each shot 74 and was seven shots back.

## Mannen Winner of Hong Kong Marathon

HONG KONG (AP) — Rick Mannen of Canada won Sunday's 10th annual Hong Kong Marathon, beating a field of about 700 in 2 hours, 20 minutes, 51 seconds. American Doug Kurris was second in 2:21:53 and Briton Neil Featherby third (2:23:03).

In Japan, defending champion Lorraine Moller of New Zealand, running in snow, won the Osaka International women's marathon in 2:30:40, beating Lisa Martin of Australia, the New York City Marathon runner-up, by 19 seconds.

## Favored Ourasi Tots to 2d Victory in Paris

PARIS (AP) — Ourasi, the French trotter driven by Jean-René Gougeon, on Sunday won the Prix d'Amérique for the second straight year.

Ourasi, the heavy favorite after 15 victories, gave Gougeon a record seventh triumph in the prestigious event. The Canadian-trained Grade 1, driven by Jean-Pierre Dubois, was second in a five-horse photo finish about six lengths back.

## Quotable

• Tom Lasorda, manager of the Los Angeles Dodgers, on why he pitches batting practice: "You hear about men dropping dead shoveling snow or mowing the lawn, but not pitching batting practice." (LAT)

• Frank Broyles, athletic director at Arkansas, on whether he'd be happy with coach Ken Hatfield if the team won only half its football games: "Sure I would. I'd miss him, too." (LAT)

• Lawrence Taylor, the New York Giant linebacker: "There are sacks and there are sacks. If you have a chance to put your helmet into a guy's... the coach comes out and asks if he's all right, that's a sack." (AP)

## PEANUTS



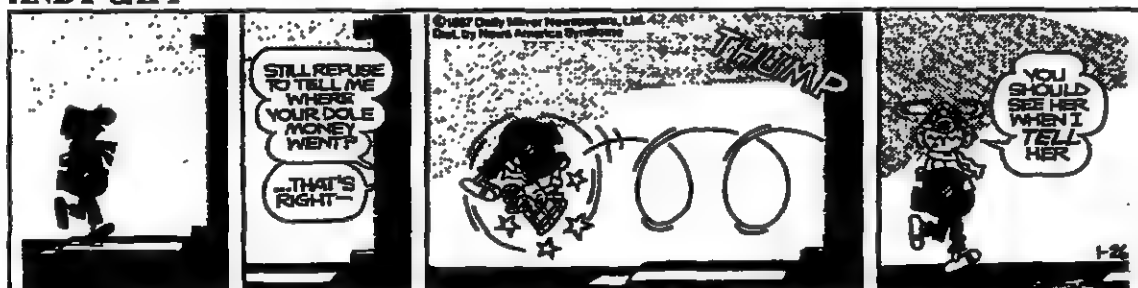
## BLONDIE



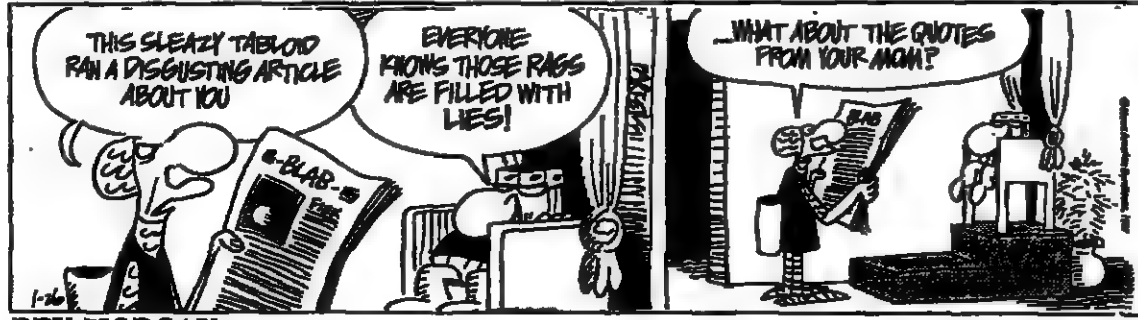
## BEETLE BAILEY



## ANDY CAPP



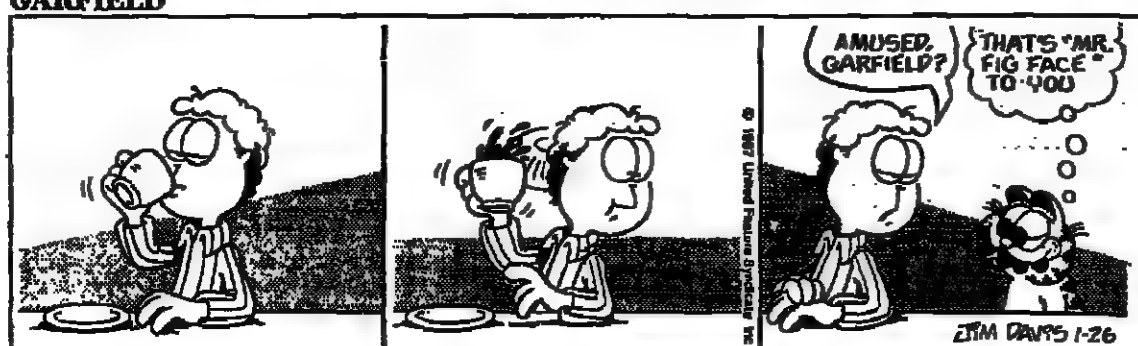
## WIZARD of ID



## REX MORGAN



## GARFIELD



## Giants, Broncos Clash in Top U.S. Showcase

By Mike Rabun

United Press International

PASADENA, California — America's fondness for sport and spectacle reached its annual pinnacle Sunday with the 11th playing of the Super Bowl — year after year, the most-watched athletic event the United States has to offer.

The New York Giants and Denver Broncos, survivors of six months of controlled violence, were to meet at 2:00 GMT in the Rose Bowl to decide the National Football League championship.

"You can talk about the pressure of being in this game all you want," said Denver coach Dan Reeves, who would be taking part in his sixth Super Bowl. "But you can never know what it's like until you experience it. It was exciting in 1970" as a player for the Dallas Cowboys "and it's no different now."

An estimated 130 million people were to watch the game on television — a broadcast that would be seen live or on videotape in more than 35 countries, including Britain, France, Singapore, South Korea, Thailand and the Philippines. South Korea, Thailand and the Philippines had never before seen the game. If that many people did watch the Giants and Broncos, Super Bowl XXI would become the No. 1 rated program in U.S. television history.

Eight of television's 10 most viewed programs have been Super Bowls. A crowd of more than 101,000 was to fill the Rose Bowl — most of them having paid the face value of \$75 for a ticket. But many would have paid out between \$500 and \$1,200 for the opportunity to be a part of the closest thing to an ancient Roman pageant as can be found in the United States.

For their money, they were to see entertainer Neil Diamond sing the National Anthem after leading a cast of 700 in a pregame songfest. They were to see a halftime show produced by the Walt Disney Co. that saluted the 100th anniversary of a village, just down the freeway, called Hollywood.

And they also were to see a football game that, after a long week of talk, sometimes became almost an afterthought. Recent games had become afterthoughts by halftime, with the

three previous Super Bowls being decided by 29, 32 and a record 36 points.

The odds makers favored another rout. New York was a nine to nine and one-half point favorite, a one-sided spread that had inspired as much as \$75 million in legal bets and countless millions more in illegal wagering.

The Giants, a 62-year-old franchise in a 66-year-old league, were making their first trip to the Super Bowl, and trying to repeat the feat of last year's champion, the Chicago Bears, by winning the crown on their initial try.

"As soon as we got here we had what may have been one of the four or five toughest practices we've had all year," said center Bart Oates. "Nobody liked it. But we've got to get ready to play a game. We know why we're here."

There was, however, the familiar problem of a team becoming so worked up with the anticipation that there was nothing left by Sunday.

"The anticipation is great," Reeves had said. "The butterflies are great. But when you finally kick it off it boils down to the fact that it is just another game. You still have to execute properly to win. The chief difference is that there are more people watching than normal."

The Giants had been made an overwhelming favorite for the same reason the Bears were a year ago: their defense had been playing at a level above any other in football.

"Their defense has a great reputation," said Denver quarterback John Elway, who would be the chief subject of the Giants' attention. "But I am not intimidated by them at all. I wouldn't say it's scary. No one gives us much of a chance, which is fine. If we play our game, we can beat them."

The Giants, however, had not allowed other teams to play their game. They brought a 16-2 record into the contest, as well as an 11-game winning streak. One of those victories was a 19-16 defeat of the Broncos in the season's 12th week, a game decided by Raul Allegre's field goal with six seconds to play.

Their defense had sacked the opposing quarterback 59 times — 10 more than the Broncos defense had — and limited opposition backs to a paltry average of 80 yards per game rushing.

No opponent had gained more than 100 yards on the ground in a game this season.

That was the defense Elway had to test, although in recent weeks he had succeeded where many of his critics assumed he would fail.

He had thrown a 48-yard touchdown pass to Vance Johnson for a 22-17 divisional round victory over the New England Patriots, then provided enough heroics in the American Conference title game against the Cleveland Browns to last Bronco fans for many a winter.

Elway quarterbacked a 98-yard drive that resulted in a tying TD with 37 seconds left in the fourth quarter, then directed a march in overtime that produced the winning field goal.

"A whole lot of attention has been focused on Elway," said Harry Carson, one of the feared Giant linebackers. "But he doesn't make the team go by himself. He has a lot of weapons."

Overhauled in pregame analysis was the other chief matchup: New York's offense, quarterbacked by Phil Simms, against the Denver defense, keyed by linebacker Karl Mecklenburg and end Ron Jones.

In their previous meeting, the Giants could not produce an offensive touchdown. "As far as I'm concerned," Simms said, "I'm the underdog against those guys."

This Super Bowl also appeared to have marked a turning point in the NFL. Six franchises had won 15 of the previous 20 Super Bowls: Green Bay, Miami, Dallas, Pittsburgh, San Francisco and the Oakland-Los Angeles Raiders. Only one of those teams made the playoffs this year, San Francisco, and it was overwhelmed by the Giants.

The Giants, under the coaching of Bill Parcells, had risen from two decades of despair. "I think of those old days as the Dark Ages," said defensive end George Martin, a 12-year veteran who scored the Giants' only touchdown in their regular season game against the Broncos, on a 78-yard interception return.

"At times, we were a dismal bunch of individuals. There were certainly times when I didn't think something like this would ever happen to us. I'm just glad I lasted long enough to see it."

## WORLD STOCKS IN REVIEW / Via Agence France-Press

## Amsterdam

Prices opened lower on the Amsterdam market last week and continued to fall until Friday, when they ended slightly firmer.

The ANP-CBS general index fell for the week to 268.4 points, from 271.1 the previous Friday. Volume slipped to 2.692 million guilders from 2.920 million the week before.

The brokerage Kempen & Co. predicted an upturn this week after the West German general elections on Sunday.

## Frankfurt

The Frankfurt exchange started last week in a morose mood over the instability on foreign-exchange markets, but the Bundesbank's decision Thursday to cut key interest rates provided late relief.

The Commerzbank index, which plunged more than 29 points on Monday, closed the week down 16.1 points at 1,912.3.

Trading volume was low, at 1,995 billion Deutsche marks, compared with 2,294 billion DM the previous week.

Auto stocks did particularly poorly, with Daimler-Benz losing 26 DM to 1,102 and BMW down 9 to 514, while in cda. VEBa plunged 22 to 277.

## Hong Kong

The Hong Kong stock exchange fluctuated wildly last week, demonstrating what analysts said was its vulnerability to political developments in China.

The Hang Seng Index closed at 2,499.43, down 43.14 on the week. The index dived 82 points on Monday, its biggest one-day loss in 18 months, after Hu Yaobang was forced to resign as the head of China's Communist Party.

Tuesday saw the index shed another 83 points in the morning, before rebounding by 73 points after Beijing's chief representative in the colony, Xu Jiatun, said Mr. Hu's resignation would not affect China's policy toward Hong Kong.

The British-administered territory is to revert to China in July 1997, with a promise by Beijing that it can retain its capitalist economy for 50 years.

Rampant buying Wednesday was followed by an equal blend of buying and selling on Thursday, with profit-taking on Friday.

## London

Early uncertainty on news of the failure of Giles & Overbury, one of the City's oldest stockbrokers, quickly evaporated last week as the London Stock Exchange had a bullish burst in line with New York.

The Financial Times industrial share index gained 22.9 points for the week to equal its record high of 1,425.9 points. The volume of transactions rose from 189,606 to 195,438.

Wall Street's record-breaking performance Thursday and a widely expected cut in West German interest rates encouraged gains for multinational stocks, but bullishness in other sectors was somewhat restrained by worries over insider-trading scandals.

Among leading stocks, Pilkington fell sharply after BTR said it was withdrawing its takeover bid. TI Group rose on news of the sale of its Raleigh Bicycles unit and Guinness traded heavily following rumors of a merger suggestion, later denied, by Argyll Group, its rival in the Distillers bid last year.

## Milan

Milan stocks were stable last week after two weeks of bumpiness caused by the crisis in the European Monetary System.

Single trading from Monday to Thursday depressed stocks before a mild recovery on Friday. The stock exchange index fell to 993 from 1,005 the previous week, while volume slipped to 180 million shares totaling 815 billion lire, from 208 million shares totaling 1.13 trillion lire.

The best performer was Montedison, whose stock rose 6.4 percent over the week and on two days accounted for one-seventh of the bourse's total trading. Most analysts said that corporate shareholders were seeking to increase their stakes in the group.

## Paris

The Paris Bourse more than erased early uncertainties last week about the dollar and the Deutsche mark with a strong rally Friday prompted by the Bundesbank's discount-rate cut.

The CAC Index jumped 8.5 points Friday to end the week at a record high of 425.3, com-

pared with the previous week's close of 417.5, the previous record was set Jan. 15.

The rally, which pushed all indexes to records, also got a boost from Wall Street's strong performance Thursday and the beginning on Friday of a new trading term on the bourse.

The market closed the January trading month 2.88 percent higher than in December, showing its buoyancy in spite of the country's recent monetary and labor problems.

Among the best performers was La Redoute stores, 16 percent of the group's shares changed hands.

## Singapore

Singapore stocks were quiet last week as investors held back from trading before the Chinese New Year holidays this week.

Share prices drifted lower in fairly moderate trading, with losers outnumbering gainers by 117 to 35. The Straits Times industrial index slipped 10.35 points to 939.58, while the SES index fell 1.99 points to 284.94.

Volume fell about 40 percent from the previous week, to 126.5 million shares valued at \$1.01 million dollars.

A Malaysian counter, Sime Darby, was the most active stock for the week. It settled unchanged at 2.35.

## Tokyo

Both the Nikkei stock average and composite indexes soared to records last week as the yen rose sharply against the U.S. dollar in erratic trading.

The 225-stock blue-chip Nikkei average hit records for four consecutive sessions beginning the previous week, and after a moderate setback on Thursday, it again climbed to a record 19,456.61 yen on Friday, up 306.98 from the previous week's close.

The composite TSE index of all common stocks listed on the first section hit a record, 1,673.82 points on Thursday before falling slightly to close Friday at 1,673.26, for a weekly gain of 33.73 points.

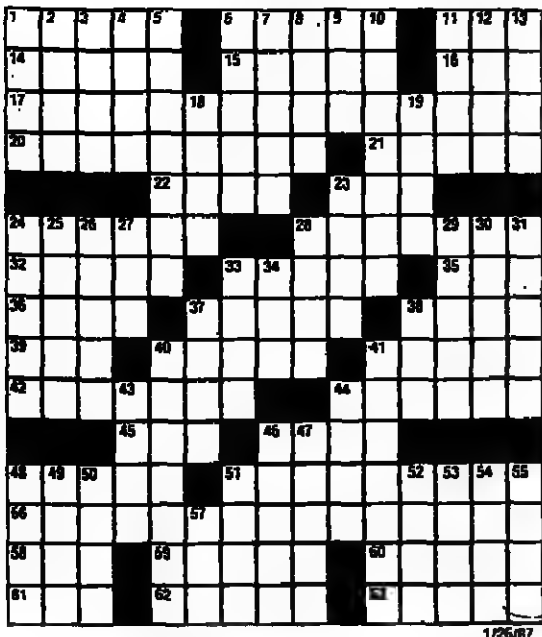
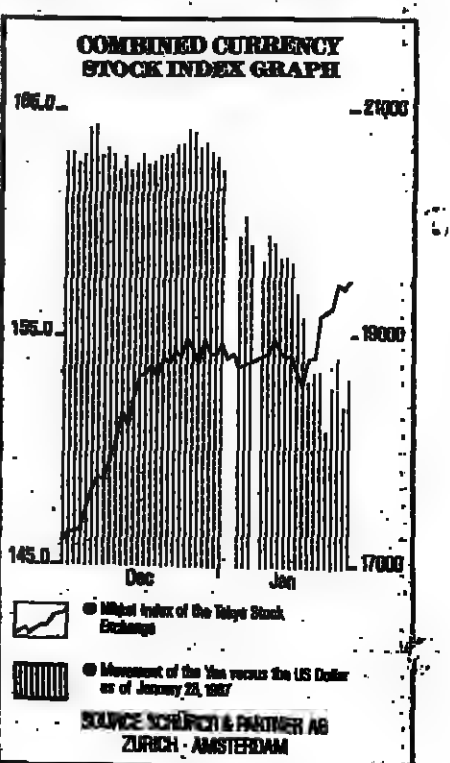
Analysts said that the erratic but bullish tone would last at least until the newly denationalized communications giant, NTT, is listed on the market in mid-February.

## Zurich

Prices on the Zurich market were dampened last week by uncertainties over the dollar, and although shares regained some ground on Friday after the round of interest-rate cuts, traders forecast continued gloom.

The Credit Suisse index slipped to 532.1 points from 554.6 the previous week, while the Swiss Bank Corp. index fell to 668.3 points from 674.3.

"The dollar remains a main factor of uncertainty," a broker said, adding that there would be "serious difficulties" if it fell much further. Among banks, Union Bank of Switzerland lost 70 to 5,900, while among financials, Elecom was the big loser, down 75 to 3,725. Industrial stocks were generally strong, notably Sulzer nominal, which gained 235 to 3,360.



- ACROSS**
- Caspar or Waldorf
  - Molten rock in the earth
  - Boone or Nixon
  - Opera part
  - Register
  - Rattie bird
  - Film in which Paul Newman played a detective
  - When Othello did to Desdemona
  - Part of ancient Asia Minor
  - Gaelic
  - Actor Carrou
  - Actress
  - Lombard
  - Film with Newman as lawyer, with "The"
  - Unique persons
  - Lock of hair
  - Reo or Essex
  - Not in harmony
  - Greenland air base
  - Saug
  - Police man, to a hood
  - Scout
  - Lone Ranger's aide
  - Film with Newman as pool shark, with "The"
- DOWN**
- Concordes, e.g.
  - Eight, in Essen
  - Salacious look
  - Forever — day
  - Weedy rye grasses
  - Whumpers
  - Year, in
  - Grating
  - "Hiroshima — Amour"
  - North African port
  - Oaxaca
  - Mine, in Amieis
  - City near Tolstoy's home
  - Unfasten
  - Kind
  - Casino token
  - Magna cum
  - "Mid — and palaces..."
  - Payne
  - Film in which Newman gets revenge
  - Digit
  - Large animal
  - Metal mass
  - Newman
  - Symbols of
  - Bank offerings
  - High Commission for Egypt; 1819-25
  - Test, as a garment
  - Son of Odin
  - Daquin base
  - Migration
  - Bill's partner
  - Companion of time
  - Writer
  - O'Flaherty
  - Near
  - Weights
  - Latrine part
  - Ben
  - Adhem's; Humt
  - Employed
  - Pikes
  - Of an
  - armbone; laborer
  - Comb, for hair
  - Laivian port
  - Coil, course
  - Gels
  - Co. head

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## DENNIS THE MENACE



## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

- ADYLL
- VOYNE
- TALPEA
- EGHTIC
- Answer here: A

Friday's Jumble: APPLY CURRY DEPUTY NAPIEN  
Answer: What kind of attention did the chairman get when he reced with his saw? — 1447

## WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	65-75	45-55	Beijing	65-75	45-55
Austria	65-75	45-55	Bombay	65-75	45-55
Berlin	65-75	45-55	Buenos Aires	65-75	45-55
Bombay	65-75	45-55	Calcutta	65-75	45-55
Buenos Aires	65-75	45-55	Canton	65-75	45-55
Calcutta	65-75	45-55	Chongqing	65-75	45-55
Canton	65-75	45-55	Colon	65-75	45-55
Chongqing	65-75	45-55	Hankow	65-75	45-55
Colon	65-75	45-55	Hong Kong	65-75	45-55
Hankow	65-75	45-55	Kobe	65-75	45-55
Hong Kong	65-75	45-55	London	65-75	45-55
Kobe	65-75	45-55	Manila	65-75	45-55
London	65-75	45-55	Peking	65-75	45-55
Manila	65-75	45-55	Shanghai	65-75	45-55
Peking	65-75	45-55	Singapore	65-75	45-55
Shanghai	65-75	45-55	Taipei	65-75	45-55
Singapore	65-75	45-55	Tokyo	65-75	45-55
Taipei	65-75	45-55	Yokohama	65-75	45-55
Tokyo	65-75	45-55			
Yokohama	65-75	45-55			



## New International Bond Issues

Compiled by Laurence Desvillettes

Issuer	Amount (millions)	Maturity	Coupon %	Price	Price end week	Terms
<b>FLLOATING RATE NOTES</b>						
N.H. First Funding	\$50	2013	0.20	100	—	Over 3-month Libor. Average life 4 to 7 years. Fees 0.25%.
Crédit Foncier	FF 1,000	1994	0.35	100	99.90	Over 3-month French Treasury bill rate. Callable at par in 1988. Also 100,000 six-month warrants, priced at 50 francs each, exercisable into a 10% bond due 1994. Fees 0.25%.
<b>FIXED-COUPON</b>						
Austria	\$200	1997	7%	101%	99.85	Noncallable. Fees 2%.
Barrick Resources U.S.A.	\$50	1992	2	open	—	Noncallable. Each note exchangeable for 100 grams of gold after one year. Fees 2.5%. Terms to be set Jan. 27.
Charter Consolidated	\$75	1994	8%	100%	—	Noncallable. Fees 1.5%.
Nishin Steel Company	\$70	1992	7%	101%	100.00	Noncallable. Fees 1.5%.
Skandia Int'l Holding	\$200	1992	7%	101%	99.50	Noncallable. Fees 1.5%.
Thomson Brandt Int'l	\$160	1994	8	103%	101.38	Noncallable. Each \$10,000 note with 25 ten-month warrants, priced at 22 ECUs, exercisable at par into a 1,000-note bond paying 6% and due 1994. Foreign exchange rate set at 1.7425 mark per dollar. Fees 1.5%.
European Coal & Steel Community	DM 175	1997	5%	99%	98.25	Noncallable. Fees 1.5%.
Honeywell	DM 150	1997	6%	100	97.50	Noncallable. Fees 2.5%.
Japan Finance Corp. for Municipal Enterprises	DM 100	1997	5%	99%	—	Callable at 100% in 1993. Fees 2.5%.
World Bank	DM 700	1997	5%	100	98.63	Noncallable. Fees 1.5%.
GNAC U.K. Finance	£40	1992	10%	101%	—	Noncallable. Fees 1.5%.
Cariplo	ECU 100	1995	7%	101%	99.25	Noncallable. Fees 2%.
Denmark	ECU 200	1994	7%	101%	99.25	Noncallable. Fees 1.5%.
Mortgage Bank of Denmark	ECU 75	1997	7%	101%	99.00	Noncallable. Fees 2%.
Nederlandsche Gasunie	ECU 50	1994	7%	101%	99.75	Noncallable. Each 1,000-ECU note with one 9-month warrant, priced at 22 ECUs, exercisable at par into an identical bond. Fees 1.5%.
Montreal City	CS 85	1997	9	101%	99.63	Noncallable. Fees 2%.
Industrie Australia	Aus\$ 50	1990	14%	101%	99.38	Noncallable. Fees 1.5%. Increased from Aus\$40 million.
New South Wales	Aus\$ 50	1990	14%	101	99.00	Noncallable. Fees 1.5%.
Royal Trustco	Aus\$ 50	1992	14%	101%	99.88	Noncallable. Fees 2%.
Société Générale Australia	Aus\$ 50	1990	14%	101%	99.50	Noncallable. Fees 1.5%. Increased from Aus\$40 million.
Swedish Export Credit	Aus\$ 50	1990	14%	101%	100.00	Noncallable. Fees 1.5%.
World Bank	Aus\$ 100	1992	14%	101%	99.63	Noncallable. Fees 1.5%.
Denmark	¥100,000	1992	5%	101%	100.00	Redeemable and callable at par in 1991. Fees 1.5%.
Sweden	¥50,000	1994	5%	101%	99.88	Noncallable. Fees 1.5%.
<b>EQUITY-LINKED</b>						
Elders U.K.	\$75	1997	open	100	99.00	Coupon indicated at 5%. Redeemable in 1993 to yield 7.5% and callable at 101 in 1993. Convertible at an expected 10% premium. Fees 2.5%. Terms to be set Jan. 29.
Hino Motors	\$60	1992	open	100	—	Coupon indicated at 3.5%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2.5%. Terms to be set Jan. 28.
Nishimatsu Construction	\$50	1992	open	100	—	Coupon indicated at 3.5%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2.5%. Terms to be set Jan. 28.
Général Int'l Finance Luxembourg	DM 250	1994	2%	100	100.75	Noncallable. Each \$500-note note with 38 four-year warrants each exercisable into one ECUs shares of 3,450 Belgian francs, at 1.45% premium. Fees 2.5%.
Elders U.K.	£85	1997	open	100	99.00	Coupon indicated at 7%. Redeemable in 1993 to yield 10% and callable at 101 in 1993. Convertible at an expected 10% premium. Fees 2.5%. Terms to be set Jan. 29.

## Multi-Tranche Tap Notes Reappear

By Carl Gewirtz

**International Herald Tribune**  
PARIS — Multi-tranche tap notes, heralded by Merrill Lynch last autumn as the hottest new instrument to hit the international financial market, reappeared last week with a new \$500 million program for Franklin Savings Association.

Electrolux, the first client to use the Merrill Lynch formula, currently has \$80 million of three-year notes outstanding.

The formula calls for a minimum amount of notes to be issued in any maturity chosen by the issuer. Franklin started offering \$50 million of two-year notes and the amount was increased to \$70 million. No more than \$200 million will be issued in any maturity, which can range from one year to five years.

Franklin's notes are collateralized by Federal Home Loan Mortgage Corp. securities. The collateral, valued weekly, amounts to 132 percent of the value of paper sold by Franklin, giving its notes a triple-A rating. The two-year notes were offered with a coupon of 6 11/16 percent, for a yield of 54 basis points, or hundredths of a percentage point, over the yield on comparably dated Treasury paper.

Merrill says it will quote prices in the notes continuously, moving the quote with each change of the Treasury bond price. It noted, however, that the spread of 54 basis points

"will not necessarily be maintained." Given the success of the initial offering, a Merrill spokesman said the spread could probably be cut to 50 basis points. Electrolux paper, initially sold to yield 93 basis points over the Treasury curve, is trading at a spread of 72 basis points.

The structure of the offering is designed to fill a gap between the three-month maturities of the commercial paper market and the minimum five-year maturity normally seen in the Eurobond market. The tap structure is designed to give the issuer maximum flexibility on how much paper is offered and when.

In the commercial paper market, New Zealand announced that it had established a \$500 million program with Citicorp and Shearson Lehman Brothers as dealers. The government, which up to now has tapped the short-term market through the sale of Euronotes, said it would consider appointing additional dealers in coming months.

New Zealand, a pioneer of the Euronote market, has moved away from the early structure of having a tender panel of banks bid for its paper to a more flexible structure, in which dealers attempt to market paper on a best-efforts basis. The first offering of CP is not expected before late March and then for maturities exceeding one year.

Fireman's Fund Mortgage Corp. has appointed Manufacturers Hanover Trust to arrange a \$300 million multi-tranche facility, incorporating a revolving credit and a tender panel for the issuance of Euronotes.

The borrower will pay an annual facility fee of 10 basis points. Interest to draw on the revolving credit will be set at 10 basis points over the London interbank offered rate, or Libor. If more than one-third is used, the utilization fee is 6 basis points; if more than two-thirds is drawn, the additional fee rises to 10 basis points. Front-end fees range up to 7 1/2 basis points for banks underwriting \$25 million.

The parent organization, Fireman's Fund Insurance Co. last year paid a facility fee of 8 1/2 basis points for a \$200 million, five-year facility.

Woolworth Holdings PLC has appointed County NatWest Capital Markets, Citicorp and Morgan Grenfell as dealers to market up to \$150 million of its dollar equivalent in commercial paper.

At the same time, Woolworth has arranged a \$150 million credit facility of which \$100 million are asked to underwrite \$100 million. Woolworth is paying an annual facility fee of 5 basis points on this five-year credit line. Interest is set at 10 basis points over Libor, or 12 1/2 basis points over Libor if more than half is drawn.

Pirelli Financial Services is seeking a five-year credit of \$75 million or its equivalent in European currency units. It will pay an annual facility fee of 5 basis points and drawing charges of 5 basis points over Libor for up to one-third of the amount. Drawing charges rise to 7 1/2 basis points for up to two-thirds, and 12 1/2 basis points for more than two-thirds.

Montedison of Italy is renegotiating terms on a 100 million ECU credit arranged in early 1985. The maturity remains unchanged, with five years and four months to run. But the interest is now set at 15 basis points over Libor, down from a split 14- to 16-percent margin over Libor. The commitment fee on undrawn amounts has been cut in half to 1/4 percent. A renegotiation fee of 7 1/2 basis points is being offered to lenders.

## Stock Turmoil Influences Prices of Treasury Bonds

By H.J. Maidenberger

**New York Times Service**  
NEW YORK — In trading heavily influenced by the turmoil in the stock market, Treasury bond prices have slumped, with the longest maturities showing the largest losses.

Unlike the frenzied trading in stocks, dealers noted that bond prices eroded gradually in light volume on Friday, while bills moved modestly higher.

But the bellwether long Treasury bond, for instance, was offered late in the session at 100 23/32, down 1 5/32 on the day. As a result, the yield on the long bond rose to 7.44 percent, from 7.34 percent the day before and 7.33 percent a week ago.

"Contrary to traditional patterns, the bond market moved in tandem with the stock market," said Maria F. Ramirez, managing director at Drexel Burnham Lambert.

"Given the current speculative

environment, it is almost meaningless to discuss fundamentals" when futures play so large a role in the marketplace.

Much of Friday's volatility on Wall Street was laid to arbitrage computer programs that involve

**U.S. CREDIT MARKETS**

the simultaneous purchase or sale of a basket of stocks that mirror a stock index and the offsetting sale or purchase of stock index futures.

In Chicago, the spot March Treasury bond futures plunged 32/32, or a full point, to close at 100 12/32. Traders there also attributed the weak bond futures to the late sell-off in the stock market.

"When the stock market tumbled sharply lower, one could almost feel the bearishness sweeping the bond futures pit," said Norman E. Mains, financial futures specialist at Drexel Burnham's Chicago office. "The bearishness wasn't simply on the inexplicable sentiment or mood that often pervades a market for no apparent reason."

As for the bond market's fundamentals, Ms. Ramirez, who correctly predicted that the gross national product, the country's total output of goods and services, would grow by only 1.7 percent in the final quarter of 1986, forecast zero growth for the current quarter.

"Consequently, the near-term trend for the bond market is for somewhat higher prices," she said, "because we doubt the Federal Reserve would tighten credit while the economic situation remains sluggish."

In the secondary market for intermediate Treasury issues, the new 6 1/2 percent notes due in 1989 traded on a when-issued basis to yield 6.21 percent, while the 6 1/2 percent issue of 1989 fell 3/32, to 100 2/32, to yield 6.35 percent.

U.S. Consumer Rates		Jan. 20
Prime bank deposit		8.00 %
Three-month Treasury bill		7.00 %
One-year Treasury bill		6.00 %
Five-year Treasury bill		6.00 %
10-year Treasury bill		6.00 %
30-year Treasury bond		6.00 %
Commercial paper		6.00 %
Auto loans		10.00 %
Home mortgages, FRB's average		10.00 %

Source: New York Times.

## BONDS: Stock gyrations and currency worries make the market cautious

(Continued from first finance page)  
increased inflation. The view there is that the weaker than expected fourth-quarter growth in U.S. gross national product, the country's total output of goods and services, reported last week is evidence that U.S. interest rates are poised for a further decline. Indeed, a rate cut at this point might be the trigger needed to drop the dollar the further 10 percent the Americans desire.

But bond market professionals are increasingly wary that the next U.S. interest-rate cut may be the last, given the anticipated increase in inflation, and that when it comes it may be the signal to get out of the dollar bond market.

The increasing discomfort with fixed-coupon dollar bonds is evidenced by the decreasing share of new issues denominated in dollars. Also notable is that Eurodollar bonds are being offered at terms that all analysts agree are attractive, meaning that underwriters are

pricing paper to appeal to investors rather than to take on to their own inventories.

Austria's \$200 million of 10-year bonds were marketed at terms to yield 65 basis points, or 0.65 percent, over the yield on comparably dated Treasury paper, while Skandia International, also rated triple-A, was offered at 73 basis points over the curve.

Thomson Brandt gave holders of its \$160 million bonds 10-month warrants to buy or convert into 64 percent DM bonds. The exercise price was set at 1.7425 DM, meaning the mark would have to appreciate another 4.5 percent for the warrant to be in the money. If all the warrants were exercised for cash, Thomson would have 200 million DM and \$160 million of bonds outstanding. If all the warrants were exercised by converting the dollar bonds, there would still remain \$50 million of the dollar issue outstanding.

For gold bugs, Barrick Resources, a North American gold producer that has previously issued gold-linked bonds, is issuing \$50 million of 2 percent gold-option bonds. The paper is redeemable only for gold or the cash equivalent, meaning that if the market price of gold falls, so will the redemption value. Each note will be the equivalent of 100 grams of gold, based on the average value set in London on the four trading days ending Tuesday.

After the second year, the notes can be converted into gold at discounts from the average price established at the offering date. The discounts increase, from 5% in the third year to 20% in the fifth and final year. If the market price of gold has risen, holders will receive more cash than they had invested.

In the DM sector, 10-year coupons were nudged just under 6 percent, levels not seen since last spring. The European Coal and Steel Community set a coupon of

5 1/2 percent on paper issued at 99 1/4 and the World Bank, with a similar coupon, offered its paper at par. Japan Finance Corp., a government guaranteed borrower, set a coupon of 5 1/2 percent with an issue price of 99 1/4, virtually no difference in yield compared to the World Bank paper.

Japanese investors are big buyers of DM bonds as well as paper denominated in European currency units. However, bankers complain that there's little demand for ECU outside Japan. Benelux investors currently prefer higher yielding Belgian franc paper now that the franc has revalued twice, albeit at smaller amounts, along with the mark.

Gasunie was well received, being a rare borrower and thanks also to the attraction of the nine-month warrants to buy additional ECU bonds. The warrants, priced at 22 ECU, provide big leverage if ECU interest rates drop.

## CHIPS: Problems at Little GCA Stir Big Fears About U.S. National Security

(Continued from first finance page)  
three years ago, closed at \$2 on Friday, and the New York Stock Exchange is threatening to delist the company.

Survival depends on the success of an unusual "rights offering," just now beginning, that could raise \$54 million. But it will come at the price of greatly diluting the value of the shares held by GCA's remaining investors, and will bring in Sumitomo Corp. of Japan as a significant minority owner.

"We've never been more than a step away from Chapter 11 from the day I walked in here," said Richard Rifkinburg. The Pittsburgh investor took over as chairman last March after the sudden departure of the chairman, two successive presidents (including one who lasted only eight days), two chief financial officers, the entire board of directors and GCA's top technical wizard.

"Our plan is to make the company survive," said Mr. Rifkinburg, a veteran of ventures in everything from computers to lead crystal glasses to a small electric power company. "In any event, the product must survive."

Many analysts now think it possible that Mr. Rifkinburg, who has sold off several GCA subsidiaries and cut the payroll by 70 percent, will salvage the company's core. In the meantime, though, its customers say GCA has lost tremendous ground to Nikon Inc., Canon Inc. and the ASM division of Philips NV — meaning that the center of development of state-of-the-art technology for making semiconductor chips has moved overseas.

That is part of what worries the Pentagon, which — perhaps reacting for the overreaction — fears the decline of domestic chip-pro-

ducing technology to the loss of a nation's capacity to build guns. A recent CIA report, according to industry executives who were briefed on its findings, concluded that without such technology, U.S. companies could face extraordinary difficulty in designing sub-

micron circuits — those in which the lines of circuitry are less than 25 thousandths of an inch wide. Achieving such submicron scales is considered critical to the design of 4- and 16-megabit memory chips and complex microprocessors.

"We are losing some of the base industries that we depend on," said Jim Owens, vice president of technology for National Semiconductor Corp. While his company so far has had no problem buying state-of-the-art equipment overseas, he said, "The question that we always have in the back of our minds is: Are they giving us the best they have, or are they holding back to gain a competitive advantage?"

Two years ago, VLSI Associates of Palo Alto, California, dropped its project to build a beam chip-making device, a slow but accurate technology that competes with wafer steppers. Eaton Corp., a competitor of GCA, dropped out of the stepper business last summer, saying it would probably never be profitable.

Among major American producers, that leaves only Perkin-Elmer Corp., a Connecticut-based maker of instruments, and Ultratech Stepper, a division of General Signal Corp. And while they receive high marks from technical experts, Ultratech's machines are not "reduction steppers," capable of reducing

a chip's image fivefold before projecting it on the silicon. Reduction steppers, also made by Perkin-Elmer, are favored by many semiconductor makers for chips that are especially densely packed.

The roots of GCA's troubles go back to the mid-1970s. That is when Geophysical Corp. of America, a maker of atmospheric instruments, happened onto a precision map-making technology that lent itself to aligning the "mask" — that serves as the master images for chips. In 1978, the company launched its first stepper.

The device was snapped up by International Business Machines Corp., American Telephone & Telegraph Co., National Fairchild Semiconductor Corp., Siemens AG and many other chip makers. GCA's revenues, \$62 million in 1978, soared to \$309 million by 1984.

GCA's previous management was also wildly optimistic about the company's future. Despite early signs of softness in semiconductor

orders, they geared up to sell 500 to 600 steppers in 1985 at more than \$1 million apiece. When the crash came, the company shipped barely more than 100.

In 1985 the GCA lost \$94 million. Layoffs began — though not fast enough, according to several former executives. By the beginning of 1986, Mellon Bank, one of GCA's major lenders, brought in Mr. Rifkinburg, though his previous experience had little to do with semiconductor.

Mr. Rifkinburg quickly sold GCA's scientific and analytical equipment operations, its robotics unit and other peripheral ventures.

Meanwhile, GCA's packing lots are half-empty, and so are the dust-free construction bays where steppers are made. The company has just begun shipping its newest model, which makes chips with line widths as narrow as seven-tenths of a micron. But new development,

many people fear, has ground to a halt. "Most of the best talent has moved on," said Joseph Grenier, a former GCA executive who is now an analyst in Silicon Valley.

"The field is very active technologically," said David A. Hochstadt, the general manager of Perkin-Elmer's semiconductor equipment group and thus a direct competitor. GCA's products, he said, "may now have slipped far enough off the front edge of technology that saving them is a moot point."

Mr. Rifkinburg disagrees. "We still think we have a year or two's edge on the competition," he said. "The integrated circuit is probably the most important invention of our generation," he added. "I'll do whatever it takes to make sure we keep the technology for making it right here."

## Treasury Bonds

Maturity	Class	Ask	Yield	Jan. 27	Wh. 1986
21.10.88	99 1/2	99 1/2	6.21	6.20	
15.8.89	100	100 1/2	6.26	6.23	
30.9.90	100 1/2	100 1/2	6.32	6.32	
11.15.91	100 1/2	100 3/4	6.61	6.60	
15.10.93	100 1/2	100 3/4	6.90	6.88	
15.5.96	101 1/2	101 3/4	7.18	7.02	
15.2.99	117 1/2	117 3/4	7.46	7.54	
15.3.16	100 1/2	100 1/2	7.44	7.31	

Source: Salomon Inc.

## SELECTED U.S.A./E.C. QUOTATIONS

	BID	ASK
Bitler Corp.	3 1/4	4
Chron	22 1/2	22 1/2
GoodMark Foods	13 1/2	13 1/2
MAG Holdings	5	5 1/2
NAV-AIR	1 1/2	1 1/2
Spectrodyne	19 1/2	20

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CONTINENTAL AMERICAN  
These are indicative prices as of Jan. 22, 1987

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Morgan Grenfell & Co. Limited	Morgan Guaranty Ltd
Nomura International Limited	Orion Royal Bank Limited
Swiss Bank Corporation International Limited	Union Bank of Switzerland (Securities) Limited
Commerzbank International S.A.	Enskilda Securities Skandinaviska Enskilda Limited
IBJ International Limited	Morgan Stanley International
Salomon Brothers International Limited	S.G. Warburg, Akroyd, Rowe & Pittman, Mullens Securities Ltd.



OTC Consolidated trading for week ended Friday. Jan. 23

OTC Consolidated trading for week ended Friday. Jan. 23

(Continued on next page)







## SPORTS

## SPORTS BRIEFS

## Pavin Has Slim Lead in U.S. Golf Tourney

SCOTTSDALE, Arizona (AP) — Corey Pavin, winner of the previous week's golf tournament, birdied two of his last three holes Saturday for a five-under-par 66 and a one-shot lead over Paul Azinger after three rounds of the Phoenix Open.

There were 14 others — including defending champion Hal Sutton, PGA champion Bob Tway and Doug Tewell — within five strokes. Tewell birdied six of seven holes in one stretch for a 62, while Tway carded a 63, Azinger a 65 and Sutton a 67.

Howard Twitty, playing a course he helped design, had shot 65 Friday to share the lead with Steve Jones. Saturday, each shot 74 and was seven shots back.

## Mannen Winner of Hong Kong Marathon

HONG KONG (AP) — Rick Mannen of Canada won Sunday's 10th annual Hong Kong Marathon, beating a field of about 700 in 2 hours, 20 minutes, 51 seconds. American Doug Kurtis was second in 2:21:53 and Briton Neil Featherby third (2:23:03).

In Japan, defending champion Lorraine Moller of New Zealand, running in snow, won the Osaka International women's marathon in 2:30:40, beating Lisa Martin of Australia, the New York City Marathon runner-up, by 19 seconds.

## Favored Oursi Wins 2d Victory in Paris

PARIS (AP) — Oursi, the French trotter driven by Jean-René Gougeon, on Sunday won the Prix d'Amérique for the second straight year.

Oursi, the heavy favorite after 15 victories, gave Gougeon a record seventh triumph in the prestigious event. The Canadian-trained Grades Singing, driven by Jean-Pierre Dubois, was second in a five-horse photo finish about six lengths back.

## Quotable

• Tom Lasorda, manager of the Los Angeles Dodgers, on why he pitches batting practice: "You hear about men dropping dead shoveling snow or mowing the lawn, but not pitching batting practice."

• Frank Broyles, athletic director at Arkansas, on whether he'd be happy with coach Ken Hatfield if the team won only half its football games: "Sure I would. I'd miss him, too."

• Lawrence Taylor, the New York Giant linebacker: "There are sacks and there are sacks. If you have a chance to put your helmet into a guy and... the coach comes out and asks if he's all right, that's a sack."

## Solution to Friday's Puzzle

ACROSS  
1 Caesar or Waldorf  
2 Mitten rock in the earth  
3 Boone or Nixon  
4 Opera part  
5 Register  
6 Rattier bird  
7 Film in which Paul Newman played a detective  
8 What Othello did to Desdemona  
9 Part of ancient Asia Minor  
10 Gaelic  
11 Actor Caruso  
12 Actress Lombard  
13 Film with Newman as lawyer, with "The" Unique persons  
14 Lock of hair  
15 Reo or Essex  
16 Not in harmony  
17 Greenland air base  
18 Snug  
19 Policeman, to a hood  
20 Scent  
21 Lone Ranger's aide  
22 Film with Newman as pool shark, with "The"

DOWN  
1 Unfasten  
2 Kind  
3 Casino token  
4 Magna cum  
5 "Mid — and palaces... Payne  
6 Film in which Newman gets revenge  
7 Digit  
8 Large animal  
9 Metal mass  
10 Newman western  
11 Symbols of bondage  
12 Bank offerings  
13 Concords, e.g.  
14 Elight, in Essen  
15 Salacious look  
16 Forever — day  
17 Weedy rye  
18 Reo or Essex  
19 Whippers  
20 Not in harmony  
21 Year, in Ancey  
22 Grating  
23 "Hiroshima in 'Amour'"  
24 10th African  
25 Oaxaca laborer  
26 Mine, in Amiens  
27 City near Tolstoy's home

## ACROSS

- 1 Caesar or Waldorf  
2 Mitten rock in the earth  
3 Boone or Nixon  
4 Opera part  
5 Register  
6 Rattier bird  
7 Film in which Paul Newman played a detective  
8 What Othello did to Desdemona  
9 Part of ancient Asia Minor  
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18 Snug  
19 Policeman, to a hood  
20 Scent  
21 Lone Ranger's aide  
22 Film with Newman as pool shark, with "The"

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## DENNIS THE MENACE



Unscramble these four jumbles, one letter to each square, to form four ordinary words.

ADYLL  
VOYNE  
TALPEA  
ECHTIC

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A

Friday's Jumbles: APPLY CURRY DEPUTY NATION

Answer: What kind of situation did the get when he stepped with his cover? — RAPT

## WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	15	8	Beijing	25	15
Amsterdam	10	5	Bombay	28	22
Athens	12	7	Hong Kong	25	18
Berlin	10	5	Kobe	22	15
Bombay	28	22	Manila	28	22
Buenos Aires	15	10	Osaka	22	15
Calcutta	28	22	Seoul	22	15
Cairo	15	10	Singapore	28	22
Cardiff	10	5	Taipei	22	15
Chennai	28	22	Tokyo	22	15
Cebu	28	22	Yokohama	22	15
Dhaka	28	22			
Dublin	10	5			
Hankow	22	15			
Hong Kong	25	18			
Kobe	22	15			
London	10	5			
Los Angeles	15	10			
Madrid	10	5			
Manila	28	22			
Moscow	10	5			
Mumbai	28	22			
New York	15	10			
Osaka	22	15			
Paris	10	5			
Perth	15	10			
Port of Spain	15	10			
San Francisco	15	10			
Shanghai	22	15			
Singapore	28	22			
Sourabaya	28	22			
Taipei	22	15			
Tokyo	22	15			
Yokohama	22	15			

MONDAY'S FORECAST — CHAMBERLAIN: Slightly cloudy, FRANKFURT: Overcast, Temp. 3-10 (2-10); LONDON: Overcast, Temp. 3-10 (2-10); PARIS: Partly cloudy, Temp. 5-10 (4-10); ROME: Partly cloudy, Temp. 10-15 (9-15); SYDNEY: Partly cloudy, Temp. 15-20 (14-20); TOKYO: Partly cloudy, Temp. 15-20 (14-20); HONG KONG: Partly cloudy, Temp. 22-28 (21-28); MANILA: Partly cloudy, Temp. 22-28 (21-28); BOMBAY: Partly cloudy, Temp. 22-28 (21-28); CALCUTTA: Partly cloudy, Temp. 22-28 (21-28); CHENNAI: Partly cloudy, Temp. 22-28 (21-28); COLOMBO: Partly cloudy, Temp. 22-28 (21-28); DUBLIN: Partly cloudy, Temp. 10-15 (9-15); HAVANA: Partly cloudy, Temp. 15-20 (14-20); LIMA: Partly cloudy, Temp. 15-20 (14-20); MADRID: Partly cloudy, Temp. 10-15 (9-15); MOSCOW: Partly cloudy, Temp. 10-15 (9-15); NEW YORK: Partly cloudy, Temp. 15-20 (14-20); OSAKA: Partly cloudy, Temp. 15-20 (14-20); PORT OF SPAIN: Partly cloudy, Temp. 15-20 (14-20); SAN FRANCISCO: Partly cloudy, Temp. 15-20 (14-20); SHANGHAI: Partly cloudy, Temp. 15-20 (14-20); SINGAPORE: Partly cloudy, Temp. 22-28 (21-28); SOUTHERN ISLAND: Partly cloudy, Temp. 22-28 (21-28); TAIPEI: Partly cloudy, Temp. 22-28 (21-28); TOKYO: Partly cloudy, Temp. 15-20 (14-20); YOKOHAMA: Partly cloudy, Temp. 15-20 (14-20).

## Giants, Broncos Clash in Top U.S. Showcase

By Mike Rabun

United Press International

PASADENA, California — America's fondness for sport and spectacle reached its annual pinnacle Sunday with the 21st playing of the Super Bowl — a year after the most-watched athletic event in the United States has to offer.

The New York Giants and Denver Broncos, survivors of six months of controlled violence, were to meet at 2:00 PM in the Rose Bowl to decide the National Football League championship.

"You can talk about the pressure of being in this game all you want," said Denver coach Dan Reeves, who would be taking part in his sixth Super Bowl. "But you can never know what it's like until you experience it. It was exciting in 1970" as a player for the Dallas Cowboys "and it's no different now."

An estimated 130 million people were to watch the game on television — a broadcast that would be seen live or on videotape in more than 35 countries, including Britain, France, Singapore, Saudi Arabia, Hong Kong, Japan, the Philippines, South Korea, Thailand and the People's Republic of China. If that many people did watch the Giants and Broncos, Super Bowl XXI would become the No. 1 rated program in U.S. television history.

Eight of television's 10 most viewed programs have been Super Bowls.

A crowd of more than 101,000 was to fill the Rose Bowl — most of them having paid the face value of \$75 for a ticket. But many would have dealt out between \$500 and \$1,200 for the opportunity to be a part of the closest thing to an ancient Roman pageant as can be found in the United States.

For their money, they were to see entertainer Neil Diamond sing the National Anthem after leading a cast of 700 in a pregame songfest. They were to see a halftime show produced by the Walt Disney Co. that saluted the 100th anniversary of a village, just down the freeway, called Hollywood.

And they also were to see a football game that, after a long week of talk, sometimes became almost an afterthought. Recent games had become afterthoughts by halftime, with the

three previous Super Bowls being decided by 29, 32 and a record 36 points.

The oddsmakers favored another rout. New York was a nine to nine and one-half point favorite, a one-sided spread that had inspired as much as \$75 million in legal bets and countless millions more in illegal wagering.

The Giants, a 62-year-old franchise in a 66-year-old league, were making their first trip to the Super Bowl, and trying to repeat the feat of last year's champion, the Chicago Bears, by winning the crown on their initial try.

"As soon as we got here we had what may have been one of the four or five toughest practices we've had all year," said center Bart Oates. "Nobody liked it. But we've got to get ready to play a game. We know why we're here."

There was, however, the familiar problem of a team becoming so worked up with the anticipation that there was nothing left by Sunday.

"The anticipation is great," Reeves said. "The butterflies are great. But when you finally kick it off it boils down to the fact that it's just another game. You still have to execute properly to win. The chief difference is that there are more people watching than normal."

The Giants had been made an overwhelming favorite for the same reason the Bears were a year ago: their defense had been playing at a level above any other in football.

"Their defense has a great reputation," said Denver quarterback John Elway, who would be the chief subject of the Giants' attention. "But I am not intimidated by them at all. I wouldn't say it's scary. No one gives us much of a chance, which is fine. If we play our game, we can beat them."

The Giants, however, had not allowed other teams to play their game. They brought a 16-2 record into the contest, as well as an 11-game winning streak. One of those victories was a 19-16 defeat of the Broncos in the season's 12th week, a game decided by Raul Allegre's field goal with six seconds to play.

Their defense had sacked the opposing quarterbacks 59 times — 10 more than the Broncos defense had — and limited opposition backs to a paltry average of 80 yards per game rushing.

No opponent had gained more than 100 yards on the ground in a game this season.

That was the defense Elway had to test, although in recent weeks he had succeeded where many of his critics assumed he would fail.

He had thrown a 48-yard touchdown pass to Vance Johnson for a 22-17 divisional playoff victory over the New England Patriots, the provided enough heroics in the American Conference title game against the Cleveland Browns to last Broncos fans for many a winter.

Elway quarterbacked a 98-yard drive that resulted in a tying TD with 37 seconds left in the fourth quarter, then directed a march in overtime that produced the winning field goal.

"A whole lot of attention has been focused on Elway," said Harry Carson, one of the feared Giants linebackers. "But he doesn't make the team go by himself. He has a lot of weapons."

Overshadowed in pregame analysis was the other chief matchup: New York's offense, quarterbacked by Phil Simms, against the Denver defense, keyed by linebacker Karl Mecklenburg and end Rulon Jones.

In their previous meeting, the Giants could not produce an offensive touchdown. "As far as I'm concerned," Simms said, "I'm the underdog against those guys."

This Super Bowl also appeared to have marked a turning point in the NFL. Six Super Bowls had been played in the previous 20 Super Bowls: Green Bay, Miami, Dallas, Pittsburgh, San Francisco and the Oakland-Los Angeles Raiders. Only one of those teams made the playoffs this year, San Francisco, and it was overwhelmed by the Giants.

The Giants, under the coaching of Bill Parcells, had risen from two decades of obscurity. "I think of those old days as the Dark Ages," said defensive end George Martin, a 12-year veteran who scored the Giants' only touchdown in their regular season game against the Broncos, on a 78-yard interception return.

"At times, we were a dismal bunch of individuals. There were certainly times when I didn't think something like this would ever happen to us. I'm just glad I lasted long enough to see it."

## WORLD STOCKS IN REVIEW / Via Agence France-Press

## Amsterdam

Prices opened lower on the Amsterdam market last week and continued to fall until Friday, when they ended slightly firmer.

The ANP-CBS general index fell for the week to 268.4 points, from 271.1 the previous Friday. Volume slipped to 2.692 million guidelines, from 2.920 million the week before.

The brokerage Kempen & Co. predicted an upturn this week after the West German general elections on Sunday.

## Frankfurt

The Frankfurt exchange started last week in a morose mood over the instability on foreign-exchange markets, but the Bundesbank's decision Thursday to cut key interest rates provided late relief.

The Commerzbank index, which plunged more than 29 points on Monday, closed the week down 16.1 points at 1,912.3.

Trading volume was low, at 1.995 billion Deutsche marks, compared with 2.294 billion DM the previous week.

Auto stocks did particularly poorly, with Daimler-Benz losing 25 DM to 1,102 and BMW down 9 to 514, while in oils, VEBAG plunged 22 to 277.

## Hong Kong

The Hong Kong stock exchange fluctuated wildly last week, demonstrating what analysts said was its vulnerability to political developments in China.

The Hang Seng Index closed at 2,499.43, down 43.14 on the week.

The index dived 82 points on Monday, its biggest one-day loss in 18 months, after Hu Yaobang was forced to resign as the head of China's Communist Party.

Tuesday saw the index shed another 83 points in the morning, before rebounding by 73 points after Beijing's chief representative in the colony, Xu Jiamin, said Mr. Hu's resignation would not affect China's policy toward Hong Kong.

The British-administered territory is to revert to China in July 1997, with a promise by Beijing that it can retain its capitalist economy for 50 years.

Rampant buying Wednesday was followed by an equal blend of buying and selling on Thursday, with profit-taking on Friday.

## London

Early uncertainty on news of the failure of Giles & Overbury, one of the City's oldest stockbrokers, quickly evaporated last week as the London Stock Exchange had a bullish burst in line with New York.

The Financial Times industrial share index gained 22.9 points for the week to equal its record high of 1,425.9 points. The volume of transactions rose from 189,606 to 195,438.

Wall Street's record-breaking performance Thursday and a widely expected cut in West German interest rates encouraged gains for multinational stocks, but bullishness in other sectors was somewhat restrained by worries over insider-trading scandals.

Among leading stocks, Pilkington fell sharply after BTR said it was withdrawing its takeover bid. TI Group rose on news of the sale of its Raleigh Bicycles unit and Guinness traded heavily following rumors of a merger suggestion, later denied, by Argyll Group, its rival in the Distillers bid last year.

## Milan

Milan stocks were stable last week after two weeks of bumpiness caused by the crisis in the European Monetary System.

Sluggish trading from Monday to Thursday depressed stocks before a mild recovery on Friday. The stock exchange index fell to 993 from 1,005 the previous week; while volume slipped to 180 million shares totaling 815 billion lire, from 208 million shares totaling 1.13 trillion lire.

The best performer was Montedison, whose stock rose 6.4 percent over the week and on two days accounted for one-quarter of the bourse's total trading. Most analysts said that corporate shareholders were seeking to increase their stake in the group.

## Paris

The Paris Bourse more than erased early uncertainties last week about the dollar and the Deutsche mark with a strong rally Friday prompted by the Bundesbank's discount-rate cut.

The CAC Index jumped 8.5 points Friday to end the week at a record high of 425.3, com-

pared with the previous week's close of 417.5; the previous record was set Jan. 15.

The rally, which pushed all indices to records, also got a boost from Wall Street's strong performance Thursday and the beginning of a new trading term on the bourse.

The market closed the January trading month 2.88 percent higher than in December, showing its buoyancy in spite of the country's recent monetary and labor problems.

Among the best performers was La Redoute stores. Ten percent of the group's shares changed hands.

## Singapore

Singapore stocks were quiet last week as investors held back from trading before the Chinese New Year holidays this week.

Share prices drifted lower in fairly moderate trading, with losers outnumbering gainers by 117 to 35. The Straits Times industrial index slipped 10.35 points to 939.58, while the SSES index fell 1.99 points to 284.94.

Volume fell about 40 percent from the previous week, to 126.3 million shares valued at \$1.01 million dollars.

A Malaysian counter, Sime Darby, was the most active stock for the week. It settled unchanged at 2.35.

## Tokyo

Both the Nikkei stock average and composite indexes soared to records last week as the yen rose steeply against the U.S. dollar in erratic trading.

The 225-stock blue-chip Nikkei average hit records for four consecutive sessions beginning the previous week, and after a moderate setback on Thursday, it again climbed to a record 19,456.61 yen on Friday, up 306.98 from the previous week's close.

The composite TSE index of all common stocks listed on the first section hit a record 1,673.82 points on Thursday before falling slightly to close Friday at 1,673.26, for a weekly gain of 33.73 points.

Analysts said that the erratic but bullish tone would last at least until the newly decentralized communications giant, NTT, is listed on the market in mid-February.

## Zurich

Prices on the Zurich market were dampened last week by uncertainties over the dollar, and although shares regained some ground on Friday after the round of interest-rate cuts, traders forecast continued gloom.

The Credit Suisse index slipped to 552.1 points from 554.6 the previous week, while the Swiss Bank Corp. index fell to 668.3 points from 674.3.

"The dollar remains a main factor of uncertainty," a broker said, adding that there would be "serious difficulties" if it fell much further.

Among banks, Union Bank of Switzerland, Electrowatt was the big loser, down 75 to 3,725. Industrial stocks were generally strong, notably Sulzer nominal, which gained 235 to 3,360.

